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DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS FOR 1991

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

SUBCOMMITTEE ON VA, HUD, AND INDEPENDENT AGENCIES

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DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS FOR 1991

WEDNESDAY, MARCH 28, 1990.

FEDERAL EMERGENCY MANAGEMENT AGENCY

WITNESSES

JAMES P. McNEILL, ASSOCIATE DIRECTOR FOR EXTERNAL AFFAIRS

HAROLD T. DURYEE, ADMINISTRATOR, FEDERAL INSURANCE ADMINISTRATION

ANTONIO LOPEZ, ASSOCIATE DIRECTOR FOR NATIONAL PREPAREDNESS

GRANT C. PETERSON, ASSOCIATE DIRECTOR FOR STATE AND LOCAL PROGRAMS AND SUPPORT

GARY J. BARARD, ACTING INSPECTOR GENERAL

EDWARD M. WALL, ACTING ADMINISTRATOR, U.S. FIRE ADMINISTRATION

DAVE McLOUGHLIN, DIRECTOR, OFFICE OF TRAINING

WILLIAM C. TIDBALL, CHIEF OF STAFF

GEORGE H. ORRELL, COMPTROLLER

GEORGE W. WATSON, ACTING GENERAL COUNSEL

BARBARA A. JACOBIK, BUDGET OFFICER

GREGG CHAPPELL, CHAIRMAN OF THE NATIONAL BOARD, EMERGENCY FOOD AND SHELTER PROGRAM

WELCOME

Mr. TRAXLER. Well, let's see now. You have had an exciting year.

Mr. McNEILL. Yes, sir.

Mr. TRAXLER. A little burnout. We know about that stuff. But you've done well, you know that? We are very proud of you.

Mr. McNEILL. We are very proud of ourselves.

Mr. TRAXLER. You came up to speed very nicely, sort of from a laid-back position. We have been very fortunate for four or five years, we got away with appropriating little or nothing for you, and we appreciated the quietness.

I am not sure you did, but you know, if you don't flex some muscle, it doesn't retain its strength, and it must have been difficult to confront those terrible tragedies of last year with a wound-down staff, find those bodies and get them on board and up and running in a short period of time.

With everybody in the United States, including the Congress, shouting at you.

Mr. McNEILL. It was a little fun and exciting and challenging, a big challenge.

Mr. **Traxler**. Well, I think you did it well. Things are awfully quiet. Have you had any complaints from any Members, Bill, recently?

Mr. **Green**. Not recently, no.

Mr. **Traxler**. Well, let's see.

We are pleased to welcome Mr. McNeill, who is the Associate Director for External Affairs. We understand that the Acting Director, Mr. Robert Morris, is ill. Please extend our best wishes to him.

Mr. **McNeill**. I will do that, sir.

Mr. **Traxler**. You have been in office for more than a year, and I understand that a name has been submitted to the FBI for clearance as Director.

You have got a large number of top management positions vacant, as I recall.

Mr. **McNeill**. I don't think there is a large number, sir, but there are a few.

Mr. **Traxler**. A couple?

Mr. **McNeill**. There are a few.

Mr. **Traxler**. You have got an Acting Inspector General.

Mr. **McNeill**. That is right.

Mr. **Traxler**. Well, how many of the top positions, management positions are currently unfilled, or are occupied?

Anybody planning on resigning or retiring or leaving?

INTRODUCTION OF PERSONNEL

Mr. **McNeill**. Everybody is in place. I think there are some people who are in the process of being nominated and confirmed and so forth, and I'd like to introduce you to all of the people.

Mr. **Traxler**. Why don't you do that.

Mr. **McNeill**. Let me start at my left, Mr. Grant Peterson, and he's been the man who has been busiest with our disasters. He is the Associate Director of State and Local Programs and Support.

Mr. Antonio Lopez is the Associate Director for National Preparedness Programs. He is a relatively new associate director, having recently been appointed.

Mr. Dave McLoughlin, at the end, is the Director of the Office of Training, which handles Emmitsburg.

To my right, I have my trusted expert on the budget, Barbara Jacobik, who is FEMA's Budget Officer.

Mr. **Traxler**. How long have you been the Budget Officer?

Ms. **Jacobik**. A little over four years.

Mr. **Traxler**. Four years. Nice to have institutional memory.

Ms. **Jacobik**. Sometimes.

Mr. **McNeill**. Mr. Hal Duryee is the Administrator of the Federal Insurance Administration. Well, he's an incumbent, and still in place. I am answering the question about who was changing. I may also be changing.

Mr. **Traxler**. We are partial to incumbents. We like incumbents.

Mr. **McNeill**. Well, I am happy to hear that.

Mr. Edward Wall has been the Acting Administrator of the United States Fire Administration since Mr. Bragdon resigned.

In back of Mr. Duryee is Mr. George Orrell, who is our Comptroller.

In back of Ms. Jacobik is Mr. George Watson, who is the Acting General Counsel.

And sitting in back of me is the Chief of Staff of FEMA, Mr. Bill Tidball.

Sitting over to his left is Mr. Gary Barard, who is the Acting Inspector General.

Mr. Gregg Chappell to his left, is the Chairman of the National Board for the Emergency Food and Shelter Program, working with Mr. Peterson.

Also there are some others here, but I think those are the major witnesses, sir.

Mr. TRAXLER. Well, we are going to have questions on food and shelter later on, but how is it doing?

Mr. CHAPPELL. It's doing fine, sir. We are very pleased with the program. We have the money out on the street and it is going very well.

Mr. PETERSON. Really is going excellently. The cooperation has been excellent.

Mr. TRAXLER. We saved you last year.

Mr. CHAPPELL. From what, sir?

BUDGET SUMMARY

Mr. TRAXLER. Let's see. You are looking for some $424,281,000 for operating programs. The request is $9,503,000 above the 1990 level, about 2.3 percent.

In addition, you are requesting $124,991,000 for emergency food and shelter, a decrease of $5,101,000 below the 1990 appropriation, and $56,101,000 for the Flood Insurance and Mitigation Programs, which is an increase of $2,344,000 above the 1990 level.

Also, you are looking for $270,000,000 for disaster relief, some $928,450,000 below the 1990 level, which included an appropriation of $1.1 billion, primarily for disaster victims of the California quake.

The 1989 supplemental appropriation of $1,108,000,000 was also approved, primarily for the disaster victims of Hurricane Hugo.

The 1991 budget requests a total of 2,624 workyears, an increase of 25 above the 1990 level.

We would be pleased at this point to put your statement in the record, and then we would like to hear from you, anything you would like to tell us.

Mr. MCNEILL. Thank you very much, sir.

Mr. Bob Morris has been the Deputy Director of the Federal Emergency Management Agency, FEMA, since November of 1983, and acting Director since June of 1989. He had planned to be here today, but unfortunately he's not able to do so because of illness.

He has asked that I submit his detailed statement for the record, and on his behalf that I make a few summary comments that will highlight some of FEMA's accomplishments in fiscal year 1989 and 1990 and give you a perspective on 1991 and beyond.

FISCAL YEAR 1990

As you said, Mr. Chairman, fiscal year 1990 has been difficult for us all with continuing resolutions, complicated by uncertainty over how Gramm-Rudman would ultimately affect our appropriations.

And, of course, the Agency was very busy coping with an unprecedented number of very large disasters, virtually simultaneously.

We would like to thank the subcommittee for enduring the development of two operating plans, and for your approval of the second operating plan. You will find that we have made the changes and corrections that you requested, completed our internal allocation of funds to program managers, both at headquarters and in the regions, and we are managing within our resources.

DISASTER CHALLENGES IN 1989

In looking at the fiscal year 1989–1990, the autumn of 1989 will always be remembered for the challenges that the Agency confronted in responding to Hurricane Hugo and the Loma Prieta Earthquake in California.

We believe, as I think we said earlier, that the agency's response under the circumstances was excellent, and we note and appreciate Congress's role in enabling us to respond.

Congress acted swiftly to provide the necessary funding for the recovery effort. It was a good example of how the partnership between the Executive and Legislative Branches of government can work quickly to provide the necessary services to the people we serve.

We would also like, if you don't mind, Mr. Chairman, to take this public opportunity to thank the employees of FEMA, both in Washington and in the Regions, who have persevered through the criticisms from some corners, and provided assistance to those thousands of needy disaster victims and continue to do so.

I would say, Mr. Chairman, that the Agency has learned and endured a lot this past year, and we are already planning how to turn lessons learned into improved delivery.

ADEQUACY OF SALARIES AND EXPENSES

In turning to FEMA's 1991 fiscal year priorities—throughout the process of developing the fiscal year 1991 budget, FEMA's number one priority has been ensuring that there are adequate Salaries and Expenses funds to support the workyears requested to carry out our mission.

People remain FEMA's real essence. FEMA's success is not measured by any specific exercise, nor by any individual given disaster, but rather by its capability not only to prepare the Nation for severe crisis situations, but also to lead the national response to such crises, in order to minimize the loss of life and property.

This requires—and this is why we emphasize people—an experienced, professional corps of people, and were they ever tested in this last year.

To further emphasize the priority we placed on having adequate funds to support our people, let me explain the tradeoffs we made during the development of the 1991 budget.

FEMA chose to trade $1 in Emergency Management Planning amd Assistance budget authority allowance for 61 cents in Salaries and Expenses allowance, notably in the Civil Defense and Radiological Emergency Preparedness Program areas.

This 61 cents for a dollar trade was necessary because the trade had to remain outlay neutral and within our overall budget allowance. As we are sure that you can agree, this was not an easy choice—but it really was the only choice given our priorities.

EARTHQUAKE

As far as the Earthquake Program is concerned, as you know, FEMA is the lead agency in earthquake planning and response. Congress has provided us with this responsibility, we take it very seriously; and we have shown that we are prepared to perform it well.

Our actual response to the Loma Prieta earthquake and our coordination and direction of the RESPONSE 89 earthquake exercise, which was held two months prior to the earthquake, are positive successes and are illustrative of our work in this area.

The question can be asked, are we as a Nation prepared to deal with a catastrophic earthquake today? Probably not. But with some program changes resulting from lessons learned from our recent experiences with not only Hurricane Hugo but also the Loma Prieta earthquake and with some of the initiatives proposed in this budget, we will be in a better position in the near future to do so.

DISASTER ASSISTANCE

As far as Disaster Assistance is concerned, it remains an area of very high priority, as well as high visibility. An assessment will be completed shortly that provides an evaluation of our recent response efforts.

This assessment may or may not result in a proposal for legislative changes. We are not now, as many perceive, the "911" for the Federal Government, and we do not have the authority to become such an agency.

CIVIL DEFENSE AND FEDERAL PREPAREDNESS

In looking at the Civil Defense and Federal Preparedness parts of our budget for 1991, we recognize that the political situation in Eastern Europe and the Soviet Union has been changing rapidly—easily said since everybody is saying the same thing. Even in the relatively short time since we have prepared and submitted this budget, this has been the case.

However, we urge that you not automatically interpret these political reforms as a reason to reduce funding for two of our very important programs, namely, the Civil Defense Program and the Federal Preparedness Program.

First of all, we would hope that we do not dismantle or in any way allow deterioration of our infrastructure, which we have painstakingly built over these past few years. We shouldn't do that until we have some assurance that these political changes are permanent.

Secondly, we would remind you that the capabilities developed, both under the Civil Defense and Federal Preparedness Programs are applicable to all emergencies.

In other words, their utility and value are based on dual use, which is an important point, whether a disaster is caused by nature, by technology or by a nuclear weapon.

For example, evacuation plans, developed with Civil Defense funding, have been successfully used to limit the loss of life in hurricanes and floods.

Also, the integrated response between Federal, State and local officials during the California earthquake is due in part to the planning and preparedness capabilities developed through the Civil Defense Program.

Similarly, the coordination and communication, support provided to the Virgin Islands after Hurricane Hugo kept the resultant civil disturbances that happened there from escalating into a far greater problem.

We will continue to work within the Administration to reshape our programs and to provide for continued integration of national security and non-defense related activities.

CLOSING STATEMENT

In my closing comments, I would like to point out that Mr. Morris has been at FEMA for a little over six years now—for a good portion of its history as an agency. During this period, he has witnessed some tumultuous times in the earlier days, when FEMA's response and planning was sometimes fragmented, partially as a result of the way the agency was formed initially. At that time, criticisms of FEMA for certain management practices sometimes overshadowed the work that the agency did. He hopes that the Subcommittee shares his view that FEMA has developed, matured, and has become a more credible organization within the Federal Government.

He thinks that this is illustrated by the fact that the Nation's people do look to us for providing emergency response in disasters—sometimes for more than we can provide.

Even within the Federal Government, FEMA has acknowledged expertise in such areas as evacuation planning around hazardous sites, as evidenced by the number of agencies who have given us a role in helping them perform their missions.

During our time at FEMA, we have had the privilege of working with your very competent, professional staff, and we would like to thank them for their assistance, and let me add their persistence, in helping us to shape and define FEMA's budget and programs.

We hope that the Agency can continue to work constructively with your staff to improve our budget.

In our view, our budget is still perhaps too long, too detailed, and maybe too complex for the size of our Agency and the level of resources being considered. Over the next six months, we will request the assistance of your staff in working with us and OMB in restructuring our budget to provide a better articulation of our programs.

Thank you, Mr. Chairman, for allowing me the opportunity to share these brief comments on behalf of Mr. Morris, who would have liked to have delivered them himself.

My staff and I will be pleased to answer questions. I have asked my colleagues not to be reluctant to speak up when they have expertise in a matter under discussion, and I have also asked them to please avoid using acronyms.

[The statement of Mr. Morris along with biographies of new witnesses follow:]

Mr. Chairman and Members of the Subcommittee:

We appear before you today to present testimony on the budget request for the Federal Emergency Management Agency (FEMA) for fiscal year 1991.

The total requested for all appropriations is $819,272,000. The outlay request is $1,623,827,000, and FEMA's full-time equivalent needs are estimated at 2,713. Compared to 1990, requested appropriations decrease by $924,048,000, outlays decrease by $122,687,000, and full-time equivalents increase by 49.

The 1991 budget request for FEMA's operating accounts is $420,376,000, an increase of $8,161,000 from 1990. Roughly 60 percent of this increase is for Salaries and Expenses. The increase includes funds to support FEMA's full complement of requested workyears, to provide for specific initiatives such as earthquake preparedness, and to partially offset uncontrollable cost increases, including GSA rent increases, the three-month 1991 cost of the 1990 pay increase, and half the estimated 1991 costs of 1991 pay increases for GS, GM, SES, and Executive level employees.

The 1991 request contains three minor budget structure changes at the activity level. FEMA proposes to group the Hazardous Materials (HAZMAT) program with the Radiological Emergency Preparedness program into the budget activity Technological Hazards. This restructure is based on commonality of content, and will not affect the identify of either program. The budget activity previously named Earthquake and Other Hazards no longer includes the HAZMAT program, and has been renamed National Earthquake Program and Other Hazards to highlight FEMA's lead agency role in the National Earthquake Hazards Reduction Program. The two budget activities funded by transfer of balances from the National Flood Insurance Fund have been combined into one activity, Flood Insurance and Mitigation, again with no impact on program identity.

OVERVIEW

A first glance at FEMA's 1991 request for appropriations compared to the 1990 appropriated level would startle anyone not familiar with the extraordinary demands placed on the Disaster Relief Fund last fall by Hurricane Hugo and the Loma Prieta earthquake. The 1991 request for Disaster Relief is based on an average year of disaster activity. The rather substantial reduction in FEMA's 1991 request for appropriations stems mainly from the elimination of the one-time, fiscal year 1990 one billion dollar supplemental that was appropriated to FEMA following the Loma Prieta earthquake.

Excluding the Disaster Relief Fund, FEMA's 1991 request maintains most programs at or somewhat below the 1990 level. Modest, specific increases in Civil Defense, the National Earthquake Program, Management and Administration, and the Office of the Inspector General are partially offset by decreases in Federal

Preparedness, Training and Fire Programs, and the Emergency Food and Shelter Program.

Increases in both staff and funding in the National Earthquake Program will expand FEMA's activities under the National Earthquake Hazards Reduction Plan, including the development of a program to identify, train, equip, and mobilize model search and rescue teams at the State and local level, for response to extraordinary disasters. In Civil Defense, increases focus on provision of warning and communications equipment to States and localities, and on population protection. The request continues student travel and lodging stipends at the existing level and increases funding for the expansion of arson control initiatives and for research and development on various firefighter health and safety issues.

As an offset to some of these modest increases, the 1991 request reflects decreases in Training and Fire Programs for the termination of funding for SARA Title III training grants as well as a decrease in the classified Government Preparedness Programs.

In keeping with the Administration's emphasis on the collection of user fees, the FEMA request proposes user fees in three areas. The full recoupment of expenses of the Radiological Emergency Preparedness (REP) program from the utility companies serviced in the licensing process is proposed, as is the recoupment of the costs of the Flood Insurance and Mitigation programs from policyholders. A partial user fee is proposed for students at the National Emergency Training Center, who would pay a student registration fee of $25 a week. Revenues from the student fees and REP costs are intended to be deposited directly in the Treasury; revenues from the Flood programs are intended to be deposited in the National Flood Insurance Fund.

CIVIL DEFENSE

FEMA requests $154,117,000, an increase of $4,820,000 over 1990, for this activity in order to support the implementation of an integrated, all-hazards preparedness and response capability at the Federal, State, and local levels of government. In 1991, the primary use of the funds requested will be for grants to the States to continue the efforts initiated in 1989 for the development of a base survivable crisis management capability at the State and local levels. This integrated, base-line capability includes communications and hardware systems, plans, and trained people in emergency management organizations to prepare for and respond to all major emergencies.

In accordance with the requirements of the Federal Civil Defense Act of 1950, as amended, this all-hazards approach is based on an integrated program that: recognizes the unique characteristics of all emergencies, including natural disasters, technological hazards, and attack; supports capability building at all levels; relies on the effective use of crisis management systems; and uses tests and exercises on a recurring basis to ensure that base-line, in-place systems are workable and sustainable under extreme conditions, including nuclear attack. This integrated, all-hazards approach is the cornerstone of the Civil Defense program in the 1991 request.

I would like to point out at this time that the Administration will be undertaking a major policy review of the civil defense program to determine what changes may need to be made in light of the rapidly changing world situation.

NATIONAL EARTHQUAKE PROGRAM AND OTHER HAZARDS

The request for the National Earthquake Program and Other Hazards activity is $16,050,000 and 58 workyears, an increase of $4,366,000 from the 1990 current estimate. This activity supports FEMA's statutory responsibilities as lead agency for the National Earthquake Hazards Reduction Program and encompasses programs which work with State and local governments, volunteer and educational organizations and the private sector to reduce the potential loss of life and property from earthquakes, hurricanes, unsafe dams and related natural hazards. This is accomplished through comprehensive programs of mitigation, preparedness and response planning and public education.

Both Hurricane Hugo and the Loma Prieta earthquake illustrated the benefits and continuing need for these programs. Planning efforts supported under the Hurricane program led to the successful evacuation of thousands of residents prior to Hurricane Hugo, and the earthquake mitigation and preparedness efforts undertaken with FEMA support in the San Francisco Bay area played a significant role in reducing the loss of life and property from building collapses in the Loma Prieta earthquake last October.

In 1991, these programs will emphasize: (1) implementation of state of the art mitigation techniques; (2) enhanced preparedness and response capability at the State and local levels; and (3) incorporation of lessons learned from Hugo and Loma Prieta into ongoing program activities. One such lesson will result in a major initiative to enhance the Federal government's urban search and rescue capability.

TECHNOLOGICAL HAZARDS

Technological Hazards is a new budget activity for 1991, combining the Radiological Emergency Preparedness and Hazardous Materials Programs. The request for Technological Hazards is $11,262,000 and 117 workyears, a net increase of $156,000 over 1990. This activity supports FEMA's effort to provide technical and financial assistance in developing/fostering Federal, State, and local capabilities to variously prepare for, respond to, and mitigate the consequences of technological emergencies.

In 1991, under its Radiological Emergency Preparedness Program (REP), FEMA will continue to assess the adequacy of State, local, and utility emergency planning and preparedness around fixed nuclear power facilities. The Administration intends to propose legislation to permit collection of fees from utility licensees to recover the full cost of expenses associated with the REP program. The fees to be collected would be reimbursed to the Treasury and therefore would not affect this appropriation request.

Under the Hazardous Materials Program, FEMA will emphasize development of a comprehensive exercise program with which to assess emergency planning and response capabilities at the State and local level.

FEDERAL PREPAREDNESS

The request for Federal Preparedness is $160,275,000 and 977 workyears, a net decrease of $1,221,000 from 1990. The major portion of this decrease is in the Government Preparedness Program.

This request continues operation of the Emergency Information and Coordination Center. This program provides national-level emergency managers with data, communications support, and facilities to direct the national response to a wide range of emergencies.

In addition, this request provides funding for the Mobilization Preparedness and the Federal Readiness and Coordination programs. The Mobilization Preparedness Program ensures that Federal departments and agencies have in place plans, systems, procedures and resources to support national emergency mobilization, including civil sector support to a military mobilization. Under the Federal Readiness and Coordination program, FEMA provides guidance to the Federal departments and agencies to prepare for and effectively respond to national security emergencies; manages the Federal response and recovery in the event of such emergencies; and plans, coordinates, and conducts domestic emergency and national security exercises.

TRAINING AND FIRE PROGRAMS

The request for Training and Fire Programs is $21,542,000 and 109 workyears, a net decrease of $2,611,000 and 3 workyears. The reduction is based primarily on the termination of funding for SARA Title III training.

United States Fire Administration

In the 1991 request, funds are provided for the following Federal-level activities: the residential sprinkler demonstration project; the undertaking of new fire service management initiatives; achieving a closer working relationship between the fire service and public management; continuation of public/private partnership efforts; studying the adequacy of fire apparatus operator training; additional research to develop superior protective clothing, tools and equipment to allow firefighters to operate more safely and efficiently in emergencies; identification of the special needs and precautions associated with AIDS; continuation and expansion of the National Fire Incident Reporting System (NFIRS); and analysis of selected fire department operations.

The 1991 request proposes an increase for arson control initiatives, particularly the community based programs and the juvenile firesetter project, as well as technology research related to residential sprinklers. In addition, the increase provides for research and development efforts on the varied problems facing the fire service such as response to situations created by large scale disasters, improvements in tools and protective clothing to make firefighting safer for the firefighter, and protection of personnel from communicable diseases.

User Fee for Training

For 1991, FEMA continues the Administration's policy initiative to increase State, local, and volunteer organizations' investment in Federal programs which benefit them, by proposing a nominal student registration fee. Under the 1991 request, State and local governments and volunteer organizations will pay a student registration fee of $25 per week or any portion of a week for each student. Currently, a student's sponsoring organization pays for the Student's meals, ground transportation at the point of departure, and, where necessary, the salary and benefit costs of replacement personnel. The Federal government currently pays-- and will continue to pay-- all other costs of the on-campus resident program at Emmitsburg including costs of student travel to NETC, lodging, faculty and staff, course materials, course development and delivery, site administration, etc. The proposed fee will partially defray these costs.

MANAGEMENT AND ADMINISTRATION

The request for Management and Administration is $45,243,000 and 467 workyears, a net increase of $2,261,000 and 3 workyears from the 1990 current estimate. The net increase in this activity includes increases to enhance legal activities in the areas of subrogation and support to the Inspector General, to improve the Agency's financial management systems, to remove architectural barriers to the disabled, to fund GSA rent increases, and to implement a drug-testing program.

INSPECTOR GENERAL

In 1991, FEMA is requesting $3,905,000 and 60 workyears for Inspector General activities, an increase of $1,342,000 and 13 workyears over 1990. This level of resources will provide the agency with increased audit and investigative coverage of its programs and operations and additional resources to meet other requirements of the Inspector General Act.

NATIONAL FLOOD INSURANCE FUND

In 1991, FEMA's National Flood Insurance Program will remain self-supporting for the historic average loss year. To date, this effort has saved the taxpayers $1.7 billion. Since 1986, the National Flood Insurance Fund has additionally supported the Flood Plain Management Program and the administrative costs associated with the National Flood Insurance Program. This has amounted to a total transfer of $262,186,000 through 1990.

The Housing and Community Development Act of 1987 (Public Law 100-242) authorized a ten per cent increase in premiums in both 1988 and 1989. No rate increase has been required since 1988, and none is planned for 1991. The current rate structure, however, does not provide for catastrophic losses or for the increased benefits available under Section 544 of Public Law 100-242 ("Upton-Jones" provisions). Should there be any significant increase in claims as a result of this provision, rate increases may be necessary to maintain the program's self-supporting status.

In 1989, the National Flood Insurance Program's policy base increased by nearly 100,000 policies or nearly 5 percent, an indicator of the success of the partnership with the private insurance industry. FEMA will continue to work with the private insurance industry through the Write-Your-Own program, as the most effective means of promoting the sale of flood insurance policies, providing improved services to insurance agents and brokers, and improved claims services to policy holders should a catastrophic flooding event occur. At the end of fiscal year 1989, over 80 companies were actively writing in the program, representing almost 1,800,000 policies, or 83 percent of total policies.

NATIONAL INSURANCE DEVELOPMENT FUND

FEMA supports the termination of this program when its current authorization expires on September 30, 1991. Through 1990 approximately $1,100,000 per month of taxpayer subsidy will be required to support the program's fewer than 25,000 policies, of which 86 percent are in only five States. FEMA will continue its efforts to make the program more efficient by seeking rate increases to cover losses and expenses.

DISASTER RELIEF

The 1990 request of $270 million for the Disaster Relief Fund reflects an expected return to a normal year of disaster activity following the unprecedented disasters and obligations which resulted from Hurricane Hugo and the Loma Prieta earthquake. Supplemental appropriations of $1.108 billion and $1.1 billion were approved in September 1989 and October 1989, respectively, to address the combined effects of these events. There will be a continuing high level of activity associated with the management and delivery of assistance for Hurricane Hugo and Loma Prieta during 1991. The primary uses of Disaster Relief Funds are grants to individuals, families, and State and local governments. In 1991, FEMA anticipates that it will support recovery operations in 28 Presidentially-declared disasters.

EMERGENCY FOOD AND SHELTER

FEMA is requesting $124,991,000 to continue support to emergency food and shelter programs for the homeless through a national board of major private charities. This funding level reflects a decrease of $5,101,000 from the 1990 level in accordance with overall deficit-reduction requirements. This funding level is consistent with the Administration's policy of shifting resources into programs that assist the homeless on a more transitional or permanent basis. This request is an integral part of President Bush's pledge to combat homelessness by fully funding the McKinney Act programs. Government-wide, the Administration proposes $812 million for McKinney Act programs, a $152 million increase over the enacted 1990 level. The budget request of $981 million for all homeless assistance programs is 22 percent above the 1990 enacted level. In 1991, FEMA's funds will supplement programs for the needy and homeless at more than 10,000 organizations in 2,300 jurisdictions.

Thank you, Mr. Chairman. My staff and I will be pleased to answer any questions.

BIOGRAPHICAL SKETCHES

GARY J. BARARD

Gary J. Barard has been detailed, effective December 30, 1989, as Deputy Inspector General. Pending the appointment of an Inspector General, he has responsibility for all operations of the FEMA Office of Inspector General. Mr. Barard has served as the Assistant Inspector General for Audit the past five years and possess over 20 years of governmental auditing experience. He holds degrees in accounting and law. Mr. Barard is a Certified Internal Auditor and a member of the Georgia State Bar Association, and the Federal Audit Executive Council.

ANTONIO LOPEZ

Antonio Lopez is Associate Director, National Preparedness Directorate, Federal Emergency Management Agency. He was nominated by President George Bush and confirmed by the Senate in the fall of 1989. As Associate Director, he will be directly responsible for the Agency's largest Directorate, which employs over 1,000 people, with a budget in excess of $200 million. It is the U.S. Government's primary coordinating, planning, and policy setting component for domestic preparedness, and response to a broad range of national and international emergencies that may have national security implications.

Mr. Lopez was appointed by President George Bush at the beginning of the Administration to serve as Special Assistant to the President and Director, White House Military Office. In this position, he oversaw the management and operation of a wide variety of military services to the President and the White House. These military services included Air Force One, Camp David, White House Mess, Presidential helicopter fleet, medical support to the President, and White House motor vehicle fleet. He also served as the White House Emergency Actions Officer.

Mr. Lopez served on the George Bush for President and Busy-Quayle 1988 campaigns as Deputy Director of Research. He was responsible for planning, organizing, staffing, directing, coordinating and developing 32 issue groups which studied and wrote issue documents for use in the Presidential campaign. He also performed as surrogate speaker for the Vice President and managed over 50 volunteers in the Information Center which served as the focal point for all incoming calls regarding the Vice President's stand on the issues facing the Nation.

Prior to returning to Washington, D.C. in 1987, Mr. Lopez was self-employed in Covington, Tennessee as an International Business Development Consultant.

From 1982 to 1985, he was employed by the Vollrath Company, Sheboygan, Wisconsin as Manager, Business Development in Latin America. He performed research, site surveys, and negotiations necessary for development of joint-ventures with Mexican counterparts. He also managed Vollrath sales accounts in most countries of Latin America and the Caribbean.

Mr. Lopez served in the United States Air Force for 27 years retiring as a Colonel. He served in a variety of operational, research and development, and diplomatic positions and assignments throughout his military career including combat duty as a forward Air Controller in the Republic of Vietnam. He culminated his Air Force career in 1982 with the Inter-American Defense Board in Washington, D.C., as Chief of Plans Division, International Staff. In Panama, he directed a U.S. military radio, television, and newspaper organization. He also served as the news media spokesman for all U.S. military activities in Latin America during the negotiation and ratification process of the historic and controversial Panama Canal Treaty.

After graduation from Phillips Academy, Andover, Massachusetts, Mr. Lopez received his Bachelor of Science in Mechanical Engineering from the University of Colorado, Boulder, Colorado. He attended the University of Southern California, Los Angeles, where he earned a Master of Science in Systems Management.

His awards include the air Force Commendation Medal with oak leaf cluster, Joint Service Commendation Medal, Air Medal with eleven oak leaf clusters, the Meritorious Service Medal, the Defense Meritorious Service Medal with one oak leaf cluster, the Distinguished Flying Cross, the Defense Superior Service Medal, and the Claude Moore Fuess Award for Distinguished Contribution to Public Service, 1978, Phillips Academy, Andover, Massachusetts.

Mr. Lopez' parents are both immigrants from Latin America; he was born in Los Angeles, California. He is married to the former Rugh B. Fryer; they have four children, and four grandchildren. Mrs. Lopez also served in the United States Air Force.

JAMES P. McNEILL

James P. McNeill is the Associate Director for External Affairs of the Federal Emergency Management Agency (FEMA). In this position, which he assumed January 17, 1988, he oversees the External Affairs Directorate. It has three major components: the Office of Congressional Affairs, the Office of International Affairs, and the Office of Public and Intergovernmental Affairs.

Prior to assignment to his present position, Mr. McNeill had served in FEMA as Associate Director of the Training and Fire Directorate from November 1, 1985 until that Directorate was reorganized in January 1988. In that capacity, he oversaw the operation of FEMA's National Emergency Training Center at Emmitsburg, Maryland. The Center comprises the National Fire Academy and the Emergency Management Institute.

McNeill, 55, has spent more than 20 years working in the education and training field, including positions as a corporate training director in the chemical industry, and as Associate Director for the National Fire Academy (NFA). He spent more than seven years in financial and employee relations management, and five years in national and civil security matters with FEMA and the Department of Defense.

At the NFA from 1977–79 (prior to and just after FEMA's formation), McNeill was responsible for all administrative operations, and participated in the development of NFA's initial curriculum planning. He developed the decision package for the Congress for purchase of the Academy's Emmitsburg site, and was responsible for the initial site occupancy and planning, including subsequent merger of NFA with the Emergency Management Institute.

McNeill received his undergraduate degree from Cathedral College in New York, and his M.B.A. from New York University. He completed his Ph.D. course work at NYU also.

He was born in New York City. He and his wife Jacqueline live in Olney, Maryland. They have four children.

EDWARD M. WALL

Edward M. Wall is Acting Administrator of the Federal Emergency Management Agency's (FEMA) United States Fire Administration. The U.S. Fire Administration is part of FEMA's Training and Fire Programs Directorate and is located on the campus of the agency's National Emergency Training Center in Emmitsburg, Maryland.

The Fire Administration was created under the National Fire Prevention and Control Act, signed by then President Gerald R. Ford in 1974. The Fire Administration is charged with providing a federal focus for fire prevention and control programs designed to reduce life and property lost in the United States to the ravages of fire.

Prior to this assignment, Mr. Wall was Deputy Superintendent for Resident Programs of FEMA's National Fire Academy, and he served as the Academy's Superintendent during 1981.

Mr. Wall brought to the National Fire Academy more than 25 years of fire service experience, including duty as Chief-in-Charge of training for a major metropolitan area fire department.

Mr. Wall holds a bachelor's degree in fire administration and a master's degree in public administration. He is a certified college-level instructor and has authored several college-level fire science and fire administration home-study courses.

GEORGE W. WATSON

George W. Watson, Acting General Counsel for the Federal Emergency Management Agency (FEMA), serves as the Chief legal advisor to the Director and the Director's top advisors. He also manages a law office of 20 attorneys and support staff. Prior to being named as Acting General Counsel by the Director of FEMA, Mr. Watson served as Associate General Counsel in charge of the Program Law Division in the Office of the General Counsel. Prior to that he was Associate General Counsel in charge of the General Law Division. He also served as a special assistant to the Director of FEMA. Before joining FEMA, he worked at the Pentagon, including a tour in the Office of the General Counsel for the Department of Defense.

Prior to joining the Federal Government, Mr. Watson was in private practice in Michigan where he also served as Assistant Prosecuting Attorney and as Friend of the Court in Kalamazoo, Michigan. Prior to that he was the legal director of the Kalamazoo County Legal Aid Bureau.

Mr. Watson served with the U.S. Navy during World War II.

Mr. Watson was born in Eaton Rapids, Michigan. He received his undergraduate and law degrees from the University of Michigan. He and his wife, Ruth, reside south of Alexandria, Virginia near Mount Vernon and have five children and three grandchildren.

CHALLENGES FACED IN PROVIDING DISASTER AID

Mr. **Traxler.** Mr. McNeill, let me say that we are in complete agreement with you on the point that we think that the Agency, when put to the ultimate test, and heaven knows what would have occurred if we had had a third disaster simultaneously with the two, but I think that you and the director, the Acting Director are to be commended, along with the rest of your personnel, for the way you filled in the breach.

We appreciate the fact that you didn't have all the human resources initially that you needed, that you had to bring on board a lot of bodies, they needed training, but you did it in a remarkably short period of time.

I suppose one could look across the whole spectrum of the disasters and say well, yes, here's a couple of things that went wrong. But that ought not to subtract from the fact that there were literally hundreds of thousands of American citizens who were ably and capably served by your agency, under a great deal of stress on each side, and you deserve the thanks of those people, as well as the Nation.

We want you to know that. It didn't go unnoticed. You know, bad news has a way of traveling. Bad news makes for good newspaper settings, and I asked a newspaper friend of mine on one occasion how come they didn't print a particular story. And he said, it doesn't sell newspapers. The good news here is an agency that one could say over the years for various reasons budget considerations, a bit of luck in terms of no national disasters, to speak of, localized ones, very localized, but not grave situations, except to the few people who were involved as victims in them, an agency that was not fleshed out in terms of personnel really stepped into the breach and served the Nation well.

We cannot ask any more than that. It was done well, and you deserve our thanks.

I hope you will convey that to the acting director.

Mr. **McNeill.** I will do that, sir.

Mr. **Traxler.** Mr. Green.

We start on a high point.

DISASTER RESPONSE WHEN LOCAL GOVERNMENT IS CRIPPLED

Mr. **Green.** As you know, about three months after Hugo, together with staff, I visited Puerto Rico, Saint Croix, Saint Thomas, and Charleston to see what we could learn from the experience there. Subsequently we went to San Francisco.

There are limits to what you can learn from being in four sites in four days, and I preface everything I am going to say with that, but certainly one thing I brought away was tremendous admiration for your staff, both the permanent employees who form the cadre or core for the whole operation, plus all of the people from your reserves and the volunteers who were there, many of whom at that point had worked many, many weeks with perhaps at most one trip home to see their families.

And they were still working very long days and nights to serve the people there and were doing it with great dedication. That was something that was very impressive to me.

I had had disaster experience before when I was Regional Administrator of HUD and had been involved because we got the housing assignment typically in those days, in both Eloise, in Puerto Rico in 1975 and Agnes before that. This was the case. At least in the segment in upstate New York, and those two, although they involved high winds, were primarily flooding kinds of events.

I found Hugo very different because the major impact was the very high winds, whereas in a flooding type of situation, although the death toll can be very high, the destruction is in a relatively narrow swath in the flood plain.

When you send your people in, there is a motel a mile or two away, and there is electricity, and there are super markets. In short, life outside the immediate flood plain is fairly normal, and you have an infrastructure there in which you can function.

In contrast, when you have got places like Saint Croix or Charleston, there was nothing there, and when you turn to the local officials and ask for a school gym to set up a disaster relief office, there was no school gym with a roof on it.

People had no place to stay, and in a sense, at least for the first day or two, they were part of the problem in that they needed to be housed and fed, to find electricity and water, just like everyone else.

I guess that gave me the question, shouldn't we be doing more to provide you with a capacity, such as temporary shelters, more emergency generators and perhaps some stored food and water so that when you come into that kind of a situation, you can be functioning from day one instead of having to find a place to live and having to get your own people up and running before you can start serving other people?

What are you doing about that, and to what extent does this budget reflect it?

Mr. McNeill. I think it's an excellent question. I think the best person to answer that question is Mr. Grant Peterson.

Mr. Peterson. Congressman Green, in direct response to your question, first of all, I take personal pleasure in thanking you, Mr. Chairman, and you, Congressman Green, for taking the time out of your schedule, not only for going to the Caribbean and South Carolina, but also for spending many days in California. And we are very appreciative of that time.

This budget was put together primarily prior to the time that we endured most of the effects of Hurricane Hugo, and right now, we have had some 20 disasters on our plate since then.

So we are up and running. We have lots of lessons learned, and you have touched on a number of them. One of the lessons learned that is not reflected in this budget is that government itself can become the casualty.

FEMA historically relies upon government to provide us with those basic resources on site. When the local government is the casualty, we find that we try to inject ourselves into the system and the process expediently and have no support when we arrive, not only for our own personnel, which to me was a tragedy, especially in Saint Croix, but also for the capability of establishing the disaster field office and equally and perhaps more importantly, the disaster application centers.

We cannot help people until we are able to get them into a disaster application center. So we found a tremendous void there in our capability in that we did not have a capability to support ourselves in the field, nor did we have a capability to put a disaster field officer and a disaster applications center up in the state when it was so seriously impacted.

INITIAL DISASTER SUPPORT CAPABILITY

Mr. Green. Have you done any studies as to what it would take to give you that capacity?

Mr. Peterson. We have done some in-house studies to look at what it would take to support our personnel in the field. It's an in-house study, but I think it's not a bad one. We have found that there are considerable amounts of available information on what it might take to support an initial cadre of 30 to 35 people in the field, which is what we need to set up the base and to start operating.

This support base would not have to function for more than seven to 10 days. We feel that within that period of time, the normal declaration process will have been completed, and we will have authorities to bring in as well as all the resources of the 25 agencies and the Catastrophic Disaster Response Group; so we need about a 10-day window.

Mr. Green. Could I ask you to make that study available to this committee for the record because I think it would be very helpful.

Mr. Peterson. I would be privileged to do that, sir.

[The information follows:]

Study on Supporting Disaster Personnel in Field

Our in-house study on support to our personnel in the field is ongoing. When completed, the agency will submit the study to the committee.

DISASTER TRAINING FOR LOCAL OFFICIALS

Mr. Green. The second thing which struck me related primarily to the South Carolina situation, because in the Virgin Islands you have only one government, the territorial government, and in Puerto Rico, although you do have the municipalities and their mayors, traditionally the Commonwealth government which has played a role, which accomplishes many of the functions which on the mainland traditionally have been local government functions, and essentially, despite the fact the mayors had legitimate concerns about what was going on, nonetheless, you were able to deal primarily through the Commonwealth government, and that was the effective way to deal and the proper way to deal.

When I met with local government officials in South Carolina, obviously that was a messier situation, and I say that not in a critical sense, but just in a structural sense, because they had a lot of different local governments with a lot of different capabilities.

I had an impression that most of those local governments had, at one time or another, sent someone to Emmitsburg for your civil defense and disaster courses, but I also came away with the impression that most of the course was civil defense, and that they didn't, at least initially, make the connection between what they had been doing in Emmitsburg and how that would relate to the problem they were faced with the disaster, and also, that the people tended to be people who had been layered down somewhere in the county or local government, and they were not at the county executives' or mayors' right hand when it came time for the local chief executive to be dealing with the situation.

I guess my question is, what do you do about that, and how can we—do you have to go through things like the National Association of Counties to try to do the education so that you reach the chief executives, the Conference of Mayors, and how do we get more knowledge in advance in the local chief executives?

Mr. PETERSON. I will try to answer a number of the issues that I think you are focusing on here.

First, we are proud to say that every county that was declared under the President's disaster had one of their emergency management personnel through our schools; so that is something we can be proud of.

Second, it was a broad-based education, not just national security. The proof in the pudding on that was the evacuation along the coastline. That evacuation resulted from a joint study between the Corps of Engineers and FEMA. Local emergency managers wrote the plans for the evacuation. Those emergency managers tested that plan prior to the Hugo incident, and they were able to evacuate hundreds of thousands of people from the coastline; therefore we had a very, very low loss of life.

I believe, focusing on the local emergency managers—that most of these individuals are appointed by a county commissioner or a mayor.

I was a county commissioner and appointed one of those people myself, but there did not seem to be the reliance on that expertise in some areas that we might have thought there would be by the executive branch.

So we need to do a better job of education.

We have been trying to work very closely with the National Emergency Management Association, and the National Association of Local Emergency Managers, and I think we have a very good rapport there. We have not done as much homework as we should have done with NACO, the National Association of Counties, nor with the League of Cities, and we have decided internally that this is an area that we must focus upon.

We are developing plans now to try to get other state and national agendas to explain what FEMA is, what an emergency manager is and how they should be utilized.

Mr. McNeill. Mr. Green, I would like to ask, if you don't mind, sir, Mr. McLoughlin to add a comment or two about the question that you have raised.

Mr. McLoughlin. Mr. Green, you hit right at the heart of two issues that are always a problem in training. One is the applicability or relevancy of the course itself, and, the other is whether or not you get the right people into the courses.

With respect to the first one, we did have 20 of our training people in the field in these disasters to assist with the operations as well as to deal with this question. Certainly there are a lot of lessons that we learned that need to be incorporated in our training.

The second point I would make has to do with top level officials as you pointed out. There always is a problem with these people having the time to go to training.

We have had a considerable success with what we call our Integrated Emergency Management Course, in which the top and middle and lower level officials in the community are put through a simulated disaster activity. We just recently had one for South Carolina. I believe they felt this tuning up was helpful.

We will try to learn some lessons from these two big disasters and incorporate them in our training efforts.

EARTHQUAKE INSURANCE

Mr. Green. I almost had the impression in South Carolina that the name your agency has had, since the agency was created as a separate entity, namely the Federal Emergency Management Agency, as opposed to the prior name of Federal Disaster Assistance Administration, worked against you, because when it was Federal Disaster Assistance Administration, locals understood that you were there to provide assistance, but that they still had the responsibility. Some of them, I think, this time thought that you were going to manage the whole thing for them, and obviously that doesn't work.

Let me turn to the earthquake side of the thing and I guess plainly important to recovery is the fact that people have had insurance, because that is after all a very large financial resource. Of course, the Federal Government is certainly supplementing a lot of what people have done for themselves beforehand to insure themselves against these problems.

That raises the question, what do you perceive as likely to be the availability of earthquake insurance, given the affordability, and given the very substantial losses that the independent industry suffered in the earthquake in California, and whether at this point we ought to be starting to look at the need for some sort of a national earthquake insurance program comparable to the flood program.

Mr. McNeill. Mr. Green, I would think that the man most up to date on this whole question of earthquake insurance is Mr. Hal Duryee.

Mr. Duryee. Thank you.

First of all, Congressman Green, the insurance remains available in California. The offer for earthquake insurance is mandated under California law, and private insurance is available.

The question of affordability is one that arises with many homeowners in California, especially in terms of the deductible on the insurance which is 10 percent of the value of the structure.

So when you are talking about a large structure, such as a—home may not be too large as a matter of fact—costing $200,000, the loss has to be greater than $20,000 before the homeowner collects any insurance.

So there is a question of affordability, and this is probably the primary reason that most homeowners have not purchased earthquake insurance.

There are already efforts within Congress to introduce earthquake insurance provisions on the federal level. We have worked with the industry and Members of Congress as they try to develop some of those programs. Our main concern is that there is a mitigation effort tied into the insurance effort; otherwise, we don't feel that it is a worthwhile activity on the part of the Federal Government. There has to be a quid pro quo.

If the Federal Government is going to offer the insurance, there has to be some program in place to reduce future losses similar to the program that we have in place for floods.

Mr. GREEN. Are you looking at that possibility to see what such a program ought to be?

Mr. DURYEE. Congressman, we started such a study eighteen months ago. We expect it to be concluded this year, and to help identify what mitigation activities should be included in a Federal earthquake insurance program.

Obviously, the one that comes to mind quickly is code provisions and code enforcement for future construction. What to do about current existing structures is another matter, and that problem will be difficult to deal with.

DISTRIBUTION FORMULA FOR FOOD AND SHELTER FUNDS

Mr. GREEN. You are certainly right.

The NSF funds a program at the State University of Buffalo in New York, which is looking at that and it is very difficult.

Let me conclude with one very parochial problem.

I discussed with a former administrator last year my concern at the apparent decrease in the percentage of the funds going to New York City under the Emergency Food and Shelter Program, and, frankly, the formula has always concerned me. It had dipped from 2.7 percent to 2.4 percent in 1989.

This year the percentage is three percent, which is, obviously, an improvement, but it is still well below the five percent in 1982 and four percent in 1984 and 1986, and, frankly, while I know homeless numbers are very hard to get a handle on, of the various studies I have seen, I would guess that New York City has to have something approaching 10 percent of the actual homeless. I use the number 35,000, which our city administration uses, which has generally been attacked by the homeless, saying it is very low.

And I put that against the most recent study I have seen, which is a study I guess published by the University of Chicago, entitled "Down and Out in America". Rossi, was the author of that.

And my understanding was on page 14 of last year's hearing record, that the formula was under review by FEMA. Could you update us on what that has shown and what can be done about this apparent disproportion?

Mr. McNEILL. Yes, sir, Mr. Congressman.

I am going to ask Mr. Chappell, perhaps Mr. Peterson, to respond to that, or both.

Mr. PETERSON. I will just start off by saying 1990 is the first increase of about $500,000 for New York since 1987; so we are trying. We understand your concerns and we heard them last year. The New York State Set Aside Board, is meeting today March 28 to determine how the distribution of an additional $317,000 should be handled.

I would ask Mr. Chappell for any additional detail that he would like to give.

Mr. CHAPPELL. Your numbers are correct, sir, and we are well aware of your concerns about that.

The formula has always been a concern to us: Is it fair? Is it based on the best available data? Is it nationally available data and can it go down to the jurisdictional level?

We have looked at the formula and had a meeting within the past year in response to questions by this committee and other congressional staffs to try to determine if there is a better way of identifying the people out there in need of assistance. Frankly, we have not come up with another way, other than the employment figures and the figures on poverty.

What we need is better data and more current data and we hope that the census data certainly brings us, if not better data on the homeless, certainly better data on the unemployment and the level of the economic opportunity.

POSSIBLE USE OF LABOR FORCE PARTICIPATION STATISTICS

Mr. GREEN. Certainly one of the problems in the way the formula has evolved is that this came out of the Emergency Job Bill of March 1983, and at that time New York City was not looking at a terrible jobless situation in terms of traditional unemployment numbers.

But if you would look at labor force participation numbers, you would see it is way below most jurisdictions, and that seems to me to indicate a large number of permanently unemployed who for that reason are not counted in the unemployment statistics.

I would really appreciate if you could take a look at labor force participation statistics as a possible way of reflecting that if the direct homeless data is inadequate for your purpose.

Mr. CHAPPELL. We will respond back to the committee on that, sir.

[The information follows:]

EFS LABOR FORCE PARTICIPATION NUMBERS

We have contacted the staff at the Bureau of Labor Statistics (BLS) and will look into the availability of labor force participation numbers. We know they are not available for all jurisdictions, but it is also possible they could be developed from existing numbers (i.e., Census numbers and BLS numbers). This again is a figure that will be made more meaningful by fresh census numbers provided by the upcoming count.

Having that fresher number is important because the population number would then be as current as the labor force numbers. Also, the question of why a labor force participation rate is low points up the paucity of explanatory numbers. For example, the long-term unemployment rates are only available on the State level while the counts for discouraged workers are only available on a national basis. Those factors make it difficult for us to mesh these two areas with the work force participation rate in a specific community.

We feel your notion is valid, that this rate could be a solid indicator. Having said that, we would like to test its applicability on a national basis. We will explore the matter further, discuss it with our fellow National Board members and report back to the Committee.

Mr. GREEN. Thank you, Mr. Chairman.

Mr. TRAXLER. Mrs. Boggs?

REDUCTION IN FOOD AND SHELTER

Mrs. BOGGS. Thank you, Mr. Chairman.

Just continuing on the emergency food and shelter program, your request is $5 million less than the 1991 budget, and this program has been so readily available to high-need jurisdictions.

At last year's hearing on page 77 in the hearing record, indicated that $134 million provided in fiscal year 1989 funded more than 9,000 local service agencies and in 2300 communities.

New Orleans, of course, depends on these funds to help take care of our homeless, and I would have to tell you that we have had our share of economic woes in Louisiana.

How will the $5 million reduction affect those communities that rely heavily on FEMA's support? Will the number of grants be lowered by a certain percentage or will you fund fewer communities?

Mr. MCNEILL. Let me introduce myself, Mr. McNeill, sitting for Mr. Morris.

I think Mr. Peterson can help with that answer.

Mr. PETERSON. In part, we regret the cut. It was due in part to some of our difficulties in determining the 1990 base because of the Gramm-Rudman-Hollings sequester.

In all, 9,502 local organizations participated in the Food and Shelter program last year. Those organizations were from about 2,260 jurisdictions.

In phase 8, we estimate we will fund about 12,444 jurisdictions. This year we are seeking to document every agency receiving funds including agency funding under the umbrella arrangement.

Your particular state is especially hard hit and we are aware of that. I do not perceive that there will be an impact within your particular jurisdiction because of the strong needs.

We are proud of the amount of meals that have been served, over $17 million worth of meals, $37 million worth of other food directly.

We do regret the $5 million cut, but we are moving forward with the committee to ensure that those most in need receive the most help.

Mrs. BOGGS. That is good news and bad news; isn't it?

Mr. MCNEILL. Let me just add a point, if I might.

As we mentioned in our detailed statement for the record, the funding level is consistent with the Administration's policy of shifting resources in the programs that assist the homeless on a more traditional or permanent basis. The request is an integral part of President Bush's pledge to combat homelessness by fully funding the McKinney Act programs.

ELECTRONIC TRANSFER OF FOOD AND SHELTER FUNDS

Mrs. Boggs. In 1989, you set up a system of electronic transfer funds to the local recipient organizations. That is on SE-62, for the Emergency Food and Shelter Program.

A May 1989 GAO study found that by the winter months at the time when the EFS funds at most needed, most recipients do not get funding until February at the earliest.

It would be a great asset to the program to have money move out to the communities as quickly as possible.

Where do you currently stand on the electronic transfer funds project?

Mr. Peterson. It is underway right now. It is a voluntary effort on the part of local agencies, and we have found that many, many are taking advantage of this.

We are very encouraged by it, but it is a local effort, and we are trying to respond to it on that basis.

ESTIMATE OF AVERAGE FEE FOR NUCLEAR POWER PLANTS

Mrs. Boggs. Thank you.

In the technological hazards program and the radiological emergency preparedness, you are proposing a rule to establish a fee that nuclear facilities would pay to cover their costs for exercising, inspections, et cetera. That is on EM-110. The fee would basically support their license and would be calculated on an individual basis for each facility.

How much on average would these cost?

Mr. Peterson. That is going to vary considerably, based upon the site specific aspect of the nuclear power plant.

The average exercise for a nuclear power plant is about $120,000. The average cost when trying to bring a new power plant on, just for the exercise alone can be much higher. Seabrook's last exercise cost $700,000.

So to try to give an average is a little difficult because of litigation issues, the planning process, how many changes there are to the planning process after evaluation, how much technical assistance is requested, and the extent of the exercising of those plans, which is required every two years.

We run about $120,000, $130,000 on the average. We have 72 nuclear power plants sites with 115 nuclear power plants on them. We will be site specific in our charge that will be based upon the cost per site specific.

PROJECTED FEES FOR WATERFORD THREE AND GRAND GULF

Mrs. Boggs. And do you have any projections of what those would be at Waterford Three and Grand Gulf?

Mr. Peterson. I don't off the top of my head, Mrs. Boggs. I will certainly provide that, if you would like.

Mrs. Boggs. If you could, please, for the record.

[The information follows:]

UTILITY USER FEE COSTS

FEMA Rule 44 CFR 353 (User Fee) calls for utilities to reimburse the Treasury for services provided by FEMA to commercial nuclear power plants for site-specific activities required to obtain or maintain a license under Nuclear Regulatory Commission (NRC) regulations and the Atomic Energy Act of 1954. Generally, these services, provided by FEMA, will involve the evaluation of exercises to determine the adequacy of offsite radiological emergency response plans; responding to utility or NRC requests; and participating in site-specific adjudicatory proceedings (includes related legal costs).

For a normal operating nuclear plant site not involved in any adjudicatory proceedings, it is estimated that the principal costs associated with the User's Fee will result from FEMA's exercise evaluation process. The FEMA and NRC regulations require that biennial offsite exercises be conducted at every site. Average costs associated with these exercises will range from $120,000 to $130,000 per exercise.

Since both Grand Gulf and Waterford III already have a license to operate at full power, only those costs necessary to maintain the licenses at those sites can be passed on under 44 CFR 353. It is anticipated that these costs will consist of offsite exercise costs for the most part ($120,000 to $130,000 per exercise).

INCREASED FUNDING FOR HAZARDOUS MATERIALS

Mrs. BOGGS. I am very pleased to see that you have increased the amount of funding requested for the hazardous materials program by $300,000 over the fiscal year 1990 budget, which is on EM-120.

As you know, I have been concerned for a long time about the transport of hazardous materials through Louisiana. A great deal of hazardous waste is transported through the State. I am especially pleased to see your continued efforts to work with the Department of Transportation.

Have you been able to see tangible results through these efforts, perhaps in quicker response time to hazardous material emergencies?

Mr. PETERSON. We really are pleased with the amount of monies that we have and the effort that has been put forward.

We are seeing a new spirit of enhanced cooperation. There was always a good spirit of cooperation, but it took time to get DOT, FEMA, EPA and everyone working together.

So we have seen better cooperation, and better coordination amongst the agencies.

We are bringing a formal initiative together which more clearly defines the roles of the four primary agencies, and we are proud of our hazardous material information exchange, which is really being used very, very much for identification of the hazardous materials and technical information availability, where resources are, and where training is available.

So I think it is a positive story and a lot has been done with a minimum amount of money.

Mrs. BOGGS. Well, that is very good. Of course, the intent of FEMA when it was established, was to settle the turf battles among the various agencies and pull them together for prepared emergency response.

Is it possible to offer the states a model to deal with this sensitive issue of shared responsibility and increased collaboration between the agencies?

Mr. PETERSON. I am being candid in saying that there is high diversity in the approach the states use in dealing with the issue and an awful lot of that depends on the resources of the state.

There is a tremendous difference in capability as we have seen in the disasters, between California with the 33 million people and a built-in reserve, and for example South Carolina with 3.3 million. So they try to pattern their capabilities based upon resources.
based upon resources.

As the four agencies work more closely together, we are going to give clearer signals to the states, and that will help build that model of response.

COMPUTERIZED HAZARDOUS MATERIAL INFORMATION

Mrs. Boggs. You know, the firefighters are really the first agency of emergency care.

Mr. Peterson. Absolutely.

Mrs. Boggs. And they have a bill in the Congress now that would establish a computerized system, identifying hazardous waste coming into the state and their jurisdictions at various times. Are you supportive of such an action?

Mr. McNeill. I am going to ask Mr. Wall, who is the acting U.S. Fire Administrator to answer that question.

Mr. Wall. There are several bills, as you know, before Congress, and one of the problems is with the local level receiving information. At the present time they get a lot of data, but not a lot of information.

They are just dumped on by having material data safety sheets that are very difficult to interpret. I think any congressional action that will provide the State and local people with useful information is certainly worthwhile. It is sorely needed.

At the present time, in a little town like Emmitsburg where the National Fire Academy is located, the poor fire chief is inundated with material coming down Route 15, and yet everyone just thinks they are out in a nice rural area and are really not exposed to the dangers of hazardous materials.

We are working very closely with State and Local Programs and Support Directorate and with agencies outside of FEMA to try to bring that sort of information to the firefighter, so that he is better able to deal with that sort of material.

We have this year, through our National Data Center, improved our ability to pick up information on hazardous material instances that we have been losing in the past because of the inadequacy of the fields on our data reporting system.

So I think we are starting to bring those things together.

TERMINATION OF SARA TITLE III FUNDING

Mrs. Boggs. Speaking of Emmitsburg, I see on page EM-151 that you are proposing termination of SARA, Title III funds, those used for hazardous materials training.

I am concerned about the proposed termination, because training is so essential to teach the state and local emergency management personnel how to deal with hazardous material emergencies.

Can you tell me why you are proposing the termination of this program?

Mr. McNeill. Mrs. Boggs, I am going to turn to the other side of the table and ask Mr. Dave McLoughlin to help you with that question.

Mr. McLoughlin. There are two basic reasons for this. One has to do simply with the deficit question, and the other one, Mrs. Boggs, has to do with the Title III reauthorization.

While the authorization for SARA Title III was for a five-year period, the training portion was only for a four-year period. The authorization for the training expired in 1990 and it has not been extended to 1991.

Recognizing that that money will not be available, we still have activities in both our Emergency Management Institute and the National Fire Academy that will support hazardous materials field training.

STUDENT REGISTRATION FEE

Mrs. Boggs. Once again, you are proposing a student registration fee of at least $25 per week per resident student for training activities to be delivered by the Emergency Management Institute and the National Fire Academy, at the National Emergency Training Center.

Local emergency management departments already pay for an individual's salary while at training, as well as the replacement cost of that person. The jobs these individuals fill are not easily left vacant, obviously, for one or two weeks.

Part of the reason we provide assistance to defray the cost of training is to increase the geographical diversity of the students who receive training at the center.

Why would you propose to implement student fees? Did your original request to OMB include revenue generated by them?

Mr. McLoughlin. The answer to your last question was no.

The reason for the increase is simply to share the cost for the training with state and local governments. You are right in the items of the cost that are shared already by state and local government, and it is also true that they pay for their meal costs while they are at the Emmitsburg facility.

The $25 fee would not apply to the volunteers that come to Emmitsburg, because they have a difficult time with expenses. It also would not apply to the train-the-trainer students, because this is our requirement for state and local people to be able to conduct the courses.

The fees will raise approximately $250,000 to $280,000 to offset costs.

FIREFIGHTER EXPOSURE TO INFECTIOUS DISEASE

Mrs. Boggs. The firefighters, of course, always serve the public at tremendous risk to themselves. One of the risks they face is exposure to infectious disease, possibly AIDS, every time they respond to an emergency.

What are you doing to help the firefighters manage this situation and minimize their risk?

Mr. McNeill. Mr. Wall?

Mr. **Wall.** We have had a very, very intense program going for the last two, two and a half years involving the peer group that we brought into Emmitsburg to advise us on what conditions firefighters and fire officers are experiencing in the field, and we found out to our surprise that AIDS wasn't just the only problem. Hepatitis B is a very prevalent disease, and there has been a tremendous upturn in tuberculosis infection.

So it goes right across the board with infectious diseases. We have had one videoconference, an interactive videoconference that reached something like 100,000 people talking about the AIDS situation. We have had our forum come in on several occasions to meet with us, and they have made a list of recommendations to USFA that we have carried out, through both USFA and the Office of Training.

Having stated a response to most of the recommendations, we have received many replies already.

As a result of bringing these peer groups together, we developed a workshop that they have been bringing around, on a voluntary basis, speaking at various conferences that firefighters attend, and bring an AIDS-awareness message to these groups.

Together with the Office of Training, we are also developing a two and a half day course which would talk to the fire supervisors and have him or her become more aware of the problem in the AIDS situation. This course will be delivered through the field program delivery system.

One of our major problems is the fact that fire services do deliver 80 to 85 percent of the ambulance response in the country.

The other problem that most people overlook is the fact that firefighters are delivering life support service from normal engine companies and truck companies, and they are usually going into situations that are a scene of trauma, either a gun shot wound, a stabbing, whatever, and they are dealing with high risk population groups.

So this was a group, first responders, that we are really aiming our primary message at, feeling that those assigned to ambulances work in such close cooperation with their medical people. They are up to date on infectious disease control measures.

DIGITAL FLOOD INSURANCE MAPS

Mrs. **Boggs.** That is a wonderful report. It is really terrific.

In 1989, you provided digitized flood insurance rate maps for five pilot communities, and according to your justification on EM-189, you are planning to implement this procedure nationwide, costing $31.5 million for fiscal year 1991 to fiscal year 1996.

What evaluation do you have from the initial pilot project that would support the cost of this project? Are there significant cost savings?

Mr. **McNeill.** Mr. Duryee is our Federal Insurance Administrator, Mrs. Boggs, and I am going to ask him to answer that question.

Mr. **Duryee.** Mrs. Boggs, there will be eventually some cost savings from this and better utilization of the information that we have available.

Flood studies today are volumes of paper, and as you know, perhaps are also very expensive. With digitizing the maps, they become available on computer that can be transferred to lazer disks. They can also be immediately available at the sites of disasters. They can be immediately available to agents and to lenders who have their responsibility for enforcing flood management ordinances, or the mandatory purchase requirement for flood insurance, so that we feel that there are ultimate savings, not necessarily directly to the Federal Government, but indirectly by helping those who must implement the program.

MANDATORY PURCHASE REQUIREMENTS FOR FLOOD INSURANCE

Mrs. BOGGS. I understand that following Hurricane Hugo, FEMA regional staff identified 400 apparent violations of the mandatory purchase requirements of flood insurance. What type of judicial actions or penalties are being enacted to ensure that this situation does not repeat itself?

Mr. DURYEE. Mrs. Boggs, if I might reply to that.

FEMA has no jurisdiction to enforce the federal mandatory purchase requirements. Those regulations must be enforced by the federal regulators of lending institutions.

Where we have found those violations, we are reporting them to the federal regulating bodies so that they can take action. We have also undertaken a study and small business administration loans as a result of flooding in 1989, covering not only South Carolina and North Carolina, but also flooding in Texas and Louisiana, to determine what the level of enforcement was in requiring the purchase of flood insurance in special flood areas following Presidentially declared disasters.

We can report to you that our preliminary study indicates that only 24 percent of those who should have had the insurance actually did.

CLAIM PAYMENTS UNDER OPTON-JONES

Mrs. BOGGS. Have the average claim payment increased since implementation of Upton-Jones provisions?

Mr. DURYEE. Mrs. Boggs, I can report that the average coastal flooding claim over a period of 20 years of the program's existence, has been just under $7000. The average claim payment under the Upton-Jones Amendment, which provides for claim payment prior to any damage, either for relocating or for demolition of the building, is now in excess of $50,000. Demolition is the aspect of the program that is most sought by the claimants and that is now costing us over $58,000 per claim.

MITIGATION FUND

Mrs. BOGGS. As you know, our friends on the banking committee are working on the reauthorization of the national flood insurance program, and they are proposing the creation of a mitigation fund, using flood insurance premiums to sustain it.

How would this move affect the solvency of the national flood insurance fund, and do you support the creation of the mitigation fund?

Mr. **Duryee**. We are, have been and continue to be concerned about mitigation aspects of the program. The proposals that we have seen call for, as you indicate, a transfer of an automatic percentage from the fund to a separate mitigation fund without any congressional oversight.

We oppose that. We think there is a need for congressional oversight on the amount of policyholder's funds that is made available for mitigation. We also feel that we need a stronger body of knowledge of what these losses are that we are mitigating against before we undertake this kind of program.

For instance, there is a great deal of talk about repetitive losses. There are some 30,000 losses that meet our test of repetitive loss, two losses over $1,000 within a 10-year period. They do account for about 33 percent of the losses, in terms of the dollars paid out. But the causes are not necessarily the same. Some are urban drainage problems; they are not even within a special flood hazard area.

So we feel that there needs to be more study on repetitive losses and how to best approach them before this type of large transfer is made out of the fund on an automatic basis.

WOMEN AND MINORITIES IN MID AND UPPER LEVEL POSITIONS

Mrs. **Boggs**. Thank you.

As you probably know, I have always been a supporter of increasing the number of women and minorities in middle and upper grade positions of the Federal Government.

What is the agency's record of the number of hires in these positions? What about promotions, how many women and minorities are being promoted to middle and upper grade positions?

Mr. **McNeill**. Those are some good questions, Mrs. Boggs. I am going to ask Mr. Bill Tidball, who is our Chief of Staff to help me with that answer.

Mr. **Tidball**. Ma'am, equal opportunity is one of the important programs that we try to conduct at FEMA. I am delighted you asked the question the way you did, because there are two areas in particular where FEMA exceeds the federal averages.

One of those is in the area of females in grades 13 through 15, and the other is in the area of black females.

WOMEN IN SES POSITIONS

Mrs. **Boggs**. Thank you.

Last year you told me that the number of women in your SES level had increased three-fold. What is the actual number of women in SES as compared to the total number of SES in the agency?

Mr. **Tidball**. In terms of the number of SES in the agency today, there are 39. As of 1 February there were four females on board, and that was an increase of one over last year.

INTERN PROGRAM

Mrs. **Boggs**. Your intern program seems to be a likely tool to increase the number of women and minorities in the agency's future management chain.

How many interns have been hired to date, and of that number, how many are women and minorities?

Mr. McNeill. Mr. Tidball?

Mr. Tidball. In our new class which is about six months old now, there are 25 total interns. Of those, 13 are men and 12 are women.

Mr. Traxler. And minorities?

Mr. Tidball. Five of those are minorities.

Mrs. Boggs. Thank you.

Mr. McNeill. It is a better record.

Mrs. Boggs. Mr. Chairman, thank you for your indulgence.

Mr. Traxler. We are the only committee that doesn't have a five minute rule, Mrs. Boggs.

Mrs. Boggs. I can't talk that fast anyway, Mr. Chairman.

EMPLOYEES IN DISASTER RELIEF

Mr. Traxler. Congress has provided you with an additional million dollars above the 1990 request for additional salary and related costs to fully support the 233 FTEs requested for Disaster Relief Administration last year. How many employees are currently on board in DRA?

Mr. McNeill. I will ask Mr. Peterson to answer that question.

Mr. Peterson. Mr. Chairman, currently we have on board 215 permanent staff. We have 55 in headquarters and 160 in the regions. We have four temporaries on board, one in headquarters and three in the regions. So total on board staff is 219 right now.

Mr. Traxler. Now, my understanding is you only utilized 221 FTEs in disaster relief in 1989 when last year you estimated that there would be 233 FTEs for disaster relief in 1989. Why the discrepancy?

Mr. Peterson. The $1 million, and I believe I am speaking to your question, gives us the flexibility to hire up to the limit of 233.

We have been trying to hire as rapidly as we can to get to that limit. We have people who are retiring and people who have quit and so there is the lag in it. We have sufficient funds to do that, thanks to you.

Mr. Traxler. That is good for 1990. What happened in 1989?

Mr. Peterson. I am going to have to have the question again, sir.

Mr. Traxler. You utilized 221 FTEs in 1989 when you estimated that there would be 233 FTEs in 1989.

Mr. Peterson. Same problems in trying to hire people and get them on board, plus the fact that we had insufficient S&E going into 1989 to pay for those people to the full 233.

We just didn't have enough money to do it. That is why we got the million dollars and had been working diligently to get the level up to 233.

DISASTER FTE REQUEST FOR 1991

Mr. Traxler. We note that even though you have had the experience of 1989 and these disasters, you are not requesting additional FTEs for 1991 for the disaster relief program.

Is that your desire or was there a ceiling put on you by OMB?

Mr. PETERSON. The numbers in the request were generated prior to the time of Hurricane Hugo, and this is the Administration's budget, sir.

Mr. TRAXLER. Okay.

This is a very subjective kind of a question, because your agency kind of reminds me of a fire station. You know, you want the firemen when you got the fire, and at the same time you are wondering why you got so many personnel in the fire department doing nothing, when, of course, we hope that they never come out of the barn.

Mr. PETERSON. That is correct.

OPTIMAL LEVEL OF DISASTER FTE

Mr. TRAXLER. So we expect the impossible from you. We want you to be lean and mean during the off season, so to speak, and yet when the game goes into full play, we want all our players out there.

What is a good number? Is 233 FTE the number in your judgment, factoring in some of the events of the last year, which we hope, was an abnormality? And we hope we will never see that again. I don't know if we could even perceive a worse disaster. I am sure we can perceive one, but the probabilities of a disaster that would exceed Hugo and, for instance, roar up the East Coast and not just hit one and a half states, but do devastation from Florida or South Carolina, moving right on up through Massachusetts.

That is a worst case scenario, and I suppose you could throw an earthquake on top of that if you really are pessimistic. But is 233 FTE the number?

Mr. PETERSON. I would respond in the following manner: I think 233 was the number, and about $270 million is the number that we all arrived at for the average, run of the mill year; 22 to 23 disasters a year, 2,000 to 3,000 people showing up for assistance, $10 million per disaster.

When you levy that against what happened to us in 1989, where you have 380,000 people showing up to FEMA's disaster application centers for assistance, and $2.4 billion, and the same 233 people, something really does not begin to compute.

We have 45,000 disaster survey report requests alone in from local governments on infrastructure in buildings. These disasters will be dealt with for the next three to five years. With the high degree of integrity we want in procurement, the high degree of oversight in who is getting money and why, and the high degree of integrity that we want in evaluating contracts that are being let, we still have 233 people to do it.

I may be going out on a limb a little bit here, but I think that you have asked a question and I want to be candid. We cannot do these kinds of disasters with 233 people. We cannot do the workload for the next five years credibly with 233 full time people. I would submit that it would seem to me that during the normal year, that is fine. But if you give us a supplemental as you did so quickly for rebuilding, there should be some factor tied to it. That gives us some flexibility to move out and acquire individuals, and not just money, sir. Money is just not the only answer. People that we can rely on for one, two, or three years are also part of the answer.

Perhaps there ought to be consideration of a formula whereby if we go over the base of 270 million and Congress gives us a supplemental, then we would get some FTEs and so much money so that we can deal with the disasters realistically.

Mr. TRAXLER. Well, I guess I am going to ask the question again. What is the number? What should we have in disaster assistance by way of permanent FTEs? From our observations you are telling us 233 FTEs aren't enough to do the job over the next five years. You have got a lot of processing and a lot of auditing to do as a consequence of the events of the past 12 months.

What is that number that you feel comfortable with, in your judgment?

Mr. PETERSON. May I have just a second?

Mr. TRAXLER. Certainly.

Mr. PETERSON. This is an estimate of my staff.

Mr. TRAXLER. We appreciate that.

Mr. PETERSON. We have talked about this. For dealing with what we have on the plate right now, we figure we need at least a half a million dollars and probably 70 FTEs.

Mr. TRAXLER. That comes back to my analogy, it is sort of like how many permanent firemen do you want in the house.

Mr. PETERSON. How big should the Army be in peace time?

Mr. TRAXLER. Exactly.

Mr. PETERSON. To clarify my point, I am talking about what we need to rectify the problem of what we have on our plate right now over the next four or five years.

TIME NEEDED TO CLOSEOUT 1989 DISASTERS

Mr. TRAXLER. And your judgment is it will take you five years to clear off the workload that is generated by the 1989 disasters?

Mr. PETERSON. With 45,000 potential contracts out there that may or may not even get let this year, we can be looking at four to five years to get bottom line to clean up on this.

This FTE level does not take into consideration the issue of whether you want us to be an emergency responder with legislative change, or that let's have a 10- or 15-day gap legislation like the corps. If you want us to be Johnny-on-the-spot, then that issue has to be looked at as well.

Mr. TRAXLER. Mr. Green?

USE OF OTHER AGENCY PERSONNEL FOR DISASTER

Mr. GREEN. Back when it was the Federal Disaster Assistance Administration, you had the same responsibility. You would turn to the other part of HUD, which at that time had a lot of engineers because it had an urban renewal program and a water and sewer program and a neighborhood facilities program and so on. So they had the architects and engineers to go out and do that kind of estimating, and the urban renewal program moved. They didn't work for urban renewal for several months and no one noticed.

Do you have any capacity to reach out to other Federal agencies to get those kinds of people now on some sort of emergency basis to do this on a somewhat faster track than five years?

Mr. **Peterson**. A lot of the time line, Congressman, is dictated by how fast the state and locals can get their disaster survey reports in to us, how fast they can be evaluated, and then how fast the contractual agreement can be implemented and brought to fruition. So that is a very real inhibiting factor.

As far as other agencies, we have drawn upon other agency resources during times of emergency, and they have been generous in allowing people to come over. But that is not going to be for a long period of time. They all have jobs, too.

We have looked internally within FEMA, and have pulled people out of other directorates extensively. That works for a period of time, but they have jobs, too, and criteria.

So we really need to look at what is a proper permanent solution for a major catastrophic event that allows us to be as good in managing and administering these funds as Congress has asked us to be and, indeed, as OMB has asked us to be.

Mr. **Green**. Well, on the one hand I am assuming that the local government shouldn't have to wait five years.

Mr. **Peterson**. No, sir. That is right.

Mr. **Green**. In making sure that it does its job and getting the reports in to you.

On the other hand, one hopes that one isn't going to have a Hugo every year, and so one looks for a way to do it on a basis where you could get the people when you need them and not be stuck with them when you don't need them.

Mr. **Peterson**. That is true. Yes, sir.

Mr. **Green**. I guess I am asking whether, given your White House position, theoretically, do you have the capacity to require other agencies and State and local governments to accommodate you, not just for the couple of months immediately after the disaster, but also to do the necessary job, filling in responsibility in the placement of facilities?

Mr. **Peterson**. I believe the solution correctly needs to be a temporary ability, if you want to call four or five years temporary, for this agency to be able to acquire the people and the money to properly administer these long-term results of major disasters.

Mr. **Green**. Thank you, Mr. Chairman.

CLARIFICATION OF ADDITIONAL FTE'S

Mr. **Traxler**. Let me go back to that question that you answered for me.

The staff heard one number and I heard another number. Was it 70 FTEs or 270 FTEs?

Mr. **Peterson**. No. Seventy additional FTEs hired on a temporary basis over a fairly long period of time.

Mrs. **Boggs**. Three hundred and three.

Mr. **Peterson**. In addition to the 233 that we already have.

Mr. **Traxler**. Yes. And our calculations indicate that that would probably be in the area of 2.8 million.

Mr. **Peterson**. Yes, sir.

DISASTER RESERVISTS

Mr. **Traxler**. Okay.

Of course, one of the important elements in your ability to respond to major disaster is the reservists. In 1989, if our numbers are correct, you had about 1,500 reservists in the computer. As a consequence of the disasters, about 700 to 800 of those responded to your call?

Mr. **Peterson**. Yes, sir. That is very close.

Mr. **Traxler**. Do you think that is an average number, or a number that you could anticipate under similar circumstances in the future, or how is it that you list 1,500? I think of the reserve service as somebody who is committed to answer the call, but clearly that is not the case. Explain how that system operates for us very briefly, and tell us why there are 1,500 and perhaps half of them came in?

Mr. **Peterson**. Under normal circumstances, the 1,500 is a very good number and it gives us some latitude, including some expertise in bilingual areas as well.

Many of these people are retired individuals who get on the list, go through the training and are very pleased to give us a certain amount of time, but also, after they receive a certain amount of money over a year, they start getting penalized by taxes because they are on retirement.

One group of individuals may go out on 10 or 15 disasters and use up their quota, so then the big disaster comes along, and you have maybe 1,000 left that haven't gone out. If you get 800 of 1,000, that is a mighty good number in my mind who will come out and continue to work as long as they can.

It is kind of a social security issue that is a problem, as well as limitations for retired Federal employees to acquire funds without penalty under the system.

Mr. **Traxler**. How many more reservists could you have used for those disasters last year?

Mr. **Peterson**. If I can put it in perspective this way, when the disaster hit in St. Croix we had 233 full time people. About six weeks later, we had 3,600 people in the field. We had 1,000 people in Puerto Rico alone being managed by 40 full time employees.

If we would have had 3,000 or 3,500 disaster assistance employees, that we could have brought in, that would have been pretrained. So my answer to you is the more we have and the larger the base we have, the better trained cadre of reservists we have.

Most of the people we brought on were local hires that required training on site.

Mr. **Traxler**. What should we do then by way of perhaps expanding the number of reservists and providing initial training?

Mr. **Peterson**. I believe that this incident has, once again, brought the issue of how big should the Army be in peace time, and it wasn't big enough. I think we should try to expand, and we are going to be more specific in the expansion that we want candidates with expertise and bilingual capabilities.

We had some real problems when we ended up in Puerto Rico, having 185,000 people show up. We took all our Spanish speaking people from the West Coast and shipped them to Puerto Rico.

Then Loma Prieta hit, so we needed to broaden that base considerably. A thousand would be very nice to have. The problem here is—I would be remiss in not saying it—we need to exercise those people. We lose them if we don't exercise them, and we can only exercise them 40 hours a year under the Stafford Act.

Mr. TRAXLER. You need a minimum reserve training?

Mr. PETERSON. Yes.

LAPSE IN WORKYEARS

Mr. TRAXLER. Turning to page S-17, the table indicates 2,389 workyears supported in 1989. Last year's justifications estimate 2,500 workyears in 1989. Thus the 1989 staffing level is 111 below what last year's justifications indicated, and it was not because there were no funds available.

I think FEMA lapsed some $2,933,000 in the S&E account. Why couldn't you achieve the higher staffing level in 1989?

Ms. JACOBIK. The majority of those lapses in staffing occurred in the government preparedness program and as we have already indicated, some of those were in the disaster relief program, with one or two also sprinkled through each of the M&A offices.

I don't know if Mr. Lopez can elaborate on the reasons for some of the government preparedness program lapses. I know a lot of it has to do with security clearances and the time it takes to actually hire a person in that program.

Mr. MCNEILL. Mr. Lopez?

Mr. LOPEZ. Precisely, Mr. Chairman, I am glad I have an opportunity to speak today.

We had 66 FTEs that lapsed, and the primary reason, as Barbara indicates, is the security clearance. It takes normally an average of about six months to get a security clearance for the people that are in that particular program.

In addition, those people are also technical people, people that are competitive in the open market, so it is hard to find the right people to fill those slots.

AGENCY EMPLOYMENT LEVEL

Mr. TRAXLER. We understand. Thank you.

Please provide the current agency employment level, both full time permanents and others. Can you do that for us now?

Mr. TIDBALL. Two thousand four hundred ninety-nine.

Mr. TRAXLER. That is the combination?

Mr. TIDBALL. Two thousand three hundred ninety-four that are full time permanent, 105 that are temporary employees.

ADEQUACY OF SALARIES AND BENEFITS

Mr. TRAXLER. Can you support 2,592 workers in 1990 with your present S&E and OIG appropriations? If not, what level of FTE can you support?

Mr. MCNEILL. Ms. Jacobik, I will let you answer that.

Ms. JACOBIK. Currently projections of FTEs show that we will lapse some workyears in 1990, but projections also show that we will probably lapse some S&E funds as well.

Our current 1990 salary and benefits that is budgeted will support the workyears at an average salary and benefits of $45,026. We feel that is adequate to support the number of workyears, but I am not sure that we will use them all.

Mr. **Traxler**. Can the agency support 2,618 workers in 1991 with its present request for S&E, and the IG, including the January 1991 pay increases for SES, and the general schedule?

Ms. **Jacobik**. I believe that we can.

During 1989, FEMA supported 2,389 workers from the S&E appropriations, while using $107 million in salaries and benefits funds. That averages to $44,850 per workyear.

The 1991 request contains $181 million in salaries and benefits funds to support 2,558 workyears under the S&E appropriation, or an average of about $46,259 per workyear. Granted, there will be pay raises, as you indicated, between 1989 and 1991, but with responsible management of these funds, it is reasonable to expect that we can support the requested workyears.

Also, as Mr. McNeill indicated in his opening comments, it has been our number one priority throughout the development of our 1991 budget, and we made some tough choices to make sure that we could support the level of workyears that we have requested for 1991.

Mr. **Traxler**. In your budget submissions, you request user fees in several areas. Can the user fees be collected without legislation?

Mr. **McNeill**. I am going to ask our General Counsel to make a comment on that. Mr. Watson?

Mr. **Watson**. The specific user fee, using an example of the REP program, we believe can be. There is a proposal for generic fees, which would require legislation.

Mr. **Traxler**. You are going to have to interpret that for me.

Mr. **Watson**. Well, we can collect fees, under existing authority. It is authority that the Federal Government has generally for requiring user fees, if there is a specific application to a specific nuclear power plant where we could add up what the cost of the——

Mr. **Traxler**. That would be your radiological emergency preparedness program?

Mr. **Watson**. Yes, using that as an example, under existing generic authority, we can, we believe, collect those fees.

There is another generic thing which would take the whole cost of, say, the radiological emergency preparedness program and apply it across the board to plants who may or may not have had a high level of exercises that year. That type of user fee would require legislation.

Did I answer your question?

Mr. **Traxler**. Yes, as to radiological.

How about flood insurance?

Mr. **Duryee**. If I might comment on that, Mr. Chairman.

Premiums are looked upon as user fees. The committee has in the past transferred the funds from the National Flood Insurance Fund to FEMA accounts to pay for Flood Plain Management and for the salaries and expenses of both insurances activities and Flood Plain Management. In that sense, they are referred to in the budget document as user fees, but it is premium income.

Mr. **Traxler**. How about the fees at the training center?

Mr. **McLoughlin**. These are registration fees, Mr. Chairman, and we should be able to collect those. The bottom line is that these funds will go to the Treasury.

Mr. **Traxler**. What do you think the total would be if you implement this proposal? What will you collect? Best guess? In terms of taking one at a time, what do you think you would collect from radiological emergency preparedness?

Ms. **Jacobik**. The 1991 proposal is that we collect 100 percent of the cost of the program, and as Mr. Watson indicated, that will require legislation.

Mr. **McNeill**. Do you have an estimate?

Mr. **Peterson**. We do not have the generic legislation in place.

Mr. **Traxler**. Why don't you supply it for the record, and do it for all three and give us a total, will you please?

Mr. **Peterson**. Yes, sir. We will be glad to do that.

[The information follows:]

Fees proposed for collection in 1991 budget

[In thousands of dollars]

	Amount
Fees deposited in the Treasury:	
Radiological emergency preparedness	9,560
Student registration fees	260
Subtotal, deposits to Treasury	9,820
Fees deposited in the National Flood Insurance Fund:	
Flood insurance and mitigation	56,101
Total fees proposed for collection	65,921

PROGRAMS REQUIRING AUTHORIZING LEGISLATION

Mr. **Traxler**. There are a number of programs that will require authorization legislation. Provide for the record a list of the programs that will need authorization in 1991, and the dollar amounts that you anticipate from there.

Mr. **McNeill**. We will do that, Mr. Chairman.

[The information follows:]

RENT REDUCTION IN 1990

Mr. TRAXLER. Turning to salaries and expenses, the request for fiscal year 1991 is $143,334,000, which is an increase of $4,762,000, or 3.4 percent, above 1990.

The budget proposes a transfer of $11,078,000 from the National Flood Insurance Program in 1991 to the salaries and expenses appropriation for administrative expenses of Flood Plain Management and insurance programs.

In looking at page SE-5 of the justifications, you are requesting $10,600,000 for rental payments to GSA in fiscal year 1991. That is an increase of $306,000 over this year's appropriation. However, the 1990 request for rental payments to GSA was $11,357,000, or some $757,000 more than this year's request, so now logically the question is, why is your 1991 request for rental payments less than your 1990 request?

Now, it is not that we are displeased, but we are curious. Any time you come in with those kind of numbers, we give gold stars.

Ms. JACOBIK. Probably we are not going to get the gold star.

Mr. TRAXLER. When I get the answer, I will take it back? All right? It is conditioned.

Ms. JACOBIK. The answer is that in the 1990 request, we made an error by double counting the amount that the government preparedness program pays for rent by also including the full amount for our rent in the administrative services section of the budget.

RENTAL PAYMENTS FOR 1991

Mr. TRAXLER. Have you decreased your office space over the last year, or has your charge per square foot changed?

Mr. MCNEILL. Mr. Tidball can give an answer to that question.

Mr. TIDBALL. The charge per square foot from GSA has increased, sir. In fact, in our 1991 request we have a small 1.5 percent decrease in the amount of square footage. Although in a couple of areas we are increasing, overall there is a 1.5 percent decrease in the actual square footage.

However, your $306,000 figure for the increase is accurate, based upon the increase from GSA.

TRANSFER OF PROGRAM ANALYSIS

Mr. TRAXLER. In 1990, FEMA transferred the function of Program Analysis and Evaluation from the Comptroller to the Chief of Staff's Office. What is the advantage of that transfer?

Mr. TIDBALL. Sir, it is an office which has agency-wide responsibilities. We simply put it closer to the Director's Office, whereas before it was strictly down in a specific office.

Mr. TRAXLER. Will the Program Analysis and Evaluation office continue to provide the same type of assistance to program managers and executives as it did in the past?

Mr. TIDBALL. As a matter of fact, sir, its location should provide more.

Mr. TRAXLER. Will there be more responsibilities?

Mr. TIDBALL. It would have increased responsibilities, yes, sir.

Mr. TRAXLER. Will you list for us the increased responsibilities it will have?

Mr. McNEILL. We will do that.

[The information follows:]

INCREASED RESPONSIBILITIES FOR PA&E

(1) Focus on policy development, analysis, and implentation;

(2) Evaluation of policy and programmatic issues;

(3) Review of management and planning systems and processes to enhance integration and utility to top management; and

(4) Internal consulting and technical assistance.

PAY RAISES

Mr. TRAXLER. Turning to your statement, you indicate that the increase you requested in 1991 reflects half of the estimated 1991 cost of the 1991 pay rate increases for GS, GM, SES and the executive level. Does the $101,846,000 requested for personnel compensation in 1991, as noted on page SE-5, reflect the total cost of pay increases, or will you need additional funds?

Ms. JACOBIK. It reflects the total cost of pay increases.

WORKYEARS BY LOCATION

Mr. TRAXLER. For the record, will you provide tables showing the number of work years by program and location for 1989, 1990, and 1991. Similar tables can be found on pages 31 to 34 of last year's hearing.

Mr. McNEILL. We will do that, Mr. Chairman.

[The information follows:]

REQUESTED WORKYEAR INCREASE BY LOCATION
(For all non-reimbursable FEMA workyears)

Location	1990 estimate	1991 request	increase
Washington, D.C.....................................	976	1,000	24
Regional Offices....................................	1,027	1,030	3
Other non-D.C 1/....................................	596	594	(2)
Total...	2,599	2,624	25

1/ Includes Emmitsburg, MD; NAWAS sites; emergency housing distribution centers, etc.

PROGRAMS REQUIRING APPROPRIATION AUTHORIZATION BEYOND FISCAL YEAR 1990

(In thousands of dollars)

	S&E	EMPA	Total
Civil Defense: Section 408 of Federal Civil Defense Act (50 U.S.C. App 2260) requires annual authorization. P. L. 101-189 extended authorization thru 1990	$21,131	$132,986	$154,117
Earthquake Hazards Reduction Program: Section 7 of Earthquake Hazards Reduction Act (42 U.S.C. 7706). P. L. 100-252, dated February 29, 1988, extended authorization through FY 1990	2,910	10,510	13,420
Emergency Food and Shelter Program: P. L. 100-72 authorized the Food and Shelter program. P. L. 101-628 extended authorization through FY 1990	240	...	125,231
TOTAL	24,281	143,496	292,768

Note: TOTAL figures for S&E and EMPA do not add to Total column because Emergency Food & Shelter program funds (which are not in the EMPA appropriation) are included in Total column only on line above.

FEDERAL EMERGENCY MANAGEMENT AGENCY
Budgeted Workyears by Location
FY 1989 Actuals

Location	Civil Defense	National Earthquake Prog. & Other Hazards	Technolog. Hazards	Federal Preparedness	Government Preparedness	Training & Fire	Flood Insur. & Mitigation	Disaster Relief	Emergency Food & Shelter	Management & Administration	TOTAL
Washington, DC......	73	32	32	64	812	7	106 *	45	4	334	1,509
Berryville, VA......	18	0	0	0	0	0	0	0	0	6	24
Charlottesville, VA.	0	0	0	0	0	0	0	0	0	0	0
Emmitsburg, MD......	48	0	0	0	0	93	1	0	0	9	151
Elkridge, MD........	0	0	0	0	0	0	1	0	0	0	1
Bluegrass, KY.......	0	0	0	0	0	0	0	5	0	0	5
Forest Park, GA......	0	0	0	0	0	0	0	1	0	0	1
Palo Pinto, TX......	0	0	0	0	0	0	0	1	0	0	1
Colorado Springs, CO	10	0	0	0	0	0	0	0	0	0	10
Puerto Rico.........	0	0	0	0	0	0	0	0	0	1	1
Brussels, Belgium...	0	0	0	1	0	0	0	0	0	2	3
Boston, MA..........	15	1	9	0	0	0	7	13	0	10	55
Maynard, MA.........	4	0	0	0	0	0	0	0	0	0	4
New York, NY........	16	1	8	0	0	0	6	16	0	9	56
Philadelphia, PA....	16	1	7	0	0	0	11	16	0	10	61
Olney, MD...........	11	0	0	0	0	0	0	0	0	6	17
Atlanta, GA.........	10	2	8	0	0	0	18	24	0	14	76
Thomasville, GA.....	21	0	0	2	0	0	0	0	0	3	26
Chicago, IL.........	16	1	7	0	0	0	10	19	0	10	63
Battle Creek, MI....	10	0	2	0	0	0	0	0	0	0	12
Denton, TX..........	21	1	6	3	0	0	15	19	0	12	77
Kansas City, MO.....	17	1	6	0	0	0	7	12	0	10	53
Denver, CO..........	24	2	1	0	0	0	6	15	0	10	58
San Francisco, CA...	23	2	4	0	0	0	9	21	0	17	76
Bothell, WA.........	19	1	3	0	0	0	6	14	0	12	55
TOTAL...............	372	45	93	70	812	100	203	221	4	475	2,395

* Includes 6 workyears funded from the National Insurance Development Fund

FEDERAL EMERGENCY MANAGEMENT AGENCY
Budgeted Workyears by Location
FY 1990 Current Estimate

Location	Civil Defense	National Earthquake Prog. & Other Hazards	Technolog. Hazards	Federal Preparedness	Government Preparedness	Training & Fire	Flood Insur. & Mitigation	Disaster Relief	Emergency Food & Shelter	Management & Administration	Inspector General	TOTAL
Washington, DC......	80	33	41	70	901	7	111	52	6	335	30	1,666
Berryville, VA......	18	0	0	0	0	0	0	0	0	7	0	25
Charlottesville, VA.	0	0	0	0	0	0	0	0	0	0	0	0
Emmitsburg, MD......	44	0	0	0	0	104	1	0	0	9	0	158
Elkridge, MD........	0	0	0	0	0	0	1	0	0	0	0	1
Bluegrass, KY.......	0	0	0	0	0	0	0	5	0	0	0	5
Forest Park, GA......	0	0	0	0	0	0	0	1	0	0	0	1
Palo Pinto, TX......	0	0	0	0	0	0	0	1	0	0	0	1
Colorado Springs, CO	10	0	0	0	0	0	0	0	0	0	0	10
Puerto Rico.........	0	0	0	0	0	0	0	0	0	0	1	1
Brussels, Belgium...	0	0	0	0	0	0	0	0	0	2	0	2
Boston, MA..........	18	1	12	0	0	0	7	13	0	10	0	61
Maynard, MA.........	4	0	0	0	0	0	0	0	0	0	0	4
New York, NY........	19	1	9	0	0	0	7	18	0	10	0	64
Philadelphia, PA....	20	1	8	0	0	0	10	17	0	10	0	66
Olney, MD...........	11	0	0	0	0	0	0	0	0	6	0	17
Atlanta, GA.........	2	2	10	0	0	1	18	23	0	10	9	75
Thomasville, GA.....	24	0	0	3	0	0	0	0	0	0	0	27
Chicago, IL.........	15	1	8	0	0	0	10	18	0	11	0	63
Battle Creek, MI....	10	0	3	0	0	0	0	0	0	0	0	13
Denton, TX..........	24	1	9	3	0	0	15	21	0	12	0	85
Kansas City, MO.....	21	1	8	0	0	0	7	13	0	10	0	60
Denver, CO..........	24	2	1	0	0	0	6	14	0	10	0	57
San Francisco, CA...	21	2	5	0	0	0	10	24	0	10	7	79
Bothell, WA.........	23	1	3	0	0	0	6	13	0	12	0	58
TOTAL...............	388	46	117	76	901	112	209	233	6	464	47	2,599

* Includes 6 workyears funded from the National Insurance Development Fund

FEDERAL EMERGENCY MANAGEMENT AGENCY
Budgeted Workyears by Location
FY 1991 Request

Location	Civil Defense	National Earthquake Prog. & Other Hazards	Technolog. Hazards	Federal Preparedness	Government Preparedness	Training & Fire	Flood Insur. & Mitigation	Disaster Relief	Emergency Food & Shelter	Management & Administration	Inspector General	TOTAL
Washington, DC......	80	45	41	70	901	7	111	52	6	338	39	1,690
Berryville, VA......	18	0	0	0	0	0	0	0	0	7	0	25
Charlottesville, VA.	0	0	0	0	0	0	0	0	0	0	0	0
Emmitsburg, MD......	44	0	0	0	0	102	1	0	0	9	0	156
Elkridge, MD........	0	0	0	0	0	0	1	0	0	0	0	1
Bluegrass, KY.......	0	0	0	0	0	0	0	5	0	0	0	5
Forest Park, GA......	0	0	0	0	0	0	0	1	0	0	0	1
Palo Pinto, TX......	0	0	0	0	0	0	0	1	0	0	0	1
Colorado Springs, CO	10	0	0	0	0	0	0	0	0	0	0	10
Puerto Rico.........	0	0	0	0	0	0	0	0	0	0	1	1
Brussels, Belgium...	0	0	0	0	0	0	0	0	0	2	0	2
Boston, MA..........	18	1	12	0	0	0	7	13	0	10	0	61
Maynard, MA.........	4	0	0	0	0	0	0	0	0	0	0	4
New York, NY........	19	1	9	0	0	0	7	18	0	10	0	64
Philadelphia, PA....	20	1	8	0	0	0	10	17	0	10	0	66
Olney, MD...........	11	0	0	0	0	0	0	0	0	6	0	17
Atlanta, GA.........	2	2	10	0	0	0	18	23	0	10	11	76
Thomasville, GA.....	24	0	0	3	0	0	0	0	0	0	0	27
Chicago, IL.........	15	1	9	0	0	0	10	18	0	11	0	64
Battle Creek, MI....	10	0	3	0	0	0	0	0	0	0	0	13
Denton, TX..........	24	1	8	3	0	0	15	21	0	12	0	84
Kansas City, MO.....	21	1	8	0	0	0	7	13	0	10	0	60
Denver, CO..........	24	2	1	0	0	0	6	14	0	10	0	57
San Francisco, CA...	21	2	5	0	0	0	10	24	0	10	9	81
Bothell, WA.........	23	1	3	0	0	0	6	13	0	12	0	58
TOTAL...............	388	58	117	76	901	109	209	233	6	467	60	2,624

* Includes 6 workyears funded from the National Insurance Development Fund

REQUEST FOR INSPECTOR GENERAL

Mr. **Traxler**. Turning to the Inspector General, an appropriation of $3,905,000 is requested for the Inspector General's office in fiscal year 1991, which is an increase of $1,342,000 above the 1990 level, and also the budget requests 60 work years for 1991, which is an increase of 13.

Beginning in fiscal year 1990, the Inspector General had a separate appropriation based on the provisions of the Inspector General Act Amendments of 1988. On page IG–6 of the budget justifications, you tell us that the new duties and responsibilities with no additional resources in 1990 resulted of the diversion of the existing audit and investigative resources to meet these new requirements.

First, what type of investigation and audits were put on hold due to your increased responsibilities?

Mr. **McNeill**. Mr. Barard, I hope, can help us with that.

Mr. **Barard**. Well, Mr. Chairman, on the audit side, no audits were put on hold, but what we have had to do as a result of the new increases in responsibilities is to reduce the number of audits that we would have ordinarily done had we not assumed those additional responsibilities.

Mr. **Traxler**. What types of investigations have been added with the changes in the act?

Mr. **Barard**. None, to my knowledge, Mr. Chairman.

Mr. **Traxler**. Will the requested increase of $1,342,000 allow you to adequately manage all of your responsibilities under the act?

Mr. **Barard**. No, sir. We don't think so. But it will greatly increase the audit and investigative coverage that we have been providing.

Mr. **Traxler**. How much additional money would you need to fully comply and conform to the Inspector General Act of 1988?

Mr. **Barard**. We think that to provide adequate audit coverage and investigative coverage, we think we need a staff of about 105, Mr. Chairman.

Mr. **Traxler**. Have you had any technical problems with the separate appropriation that started in 1990?

Mr. **Barard**. Not to my knowledge, we have not.

PENDING INVESTIGATIONS

Mr. **Traxler**. According to the budget on page IG–7, one of the reasons for the additional 13 work years is to reduce the age of pending investigations. How many pending investigations do you currently have?

Mr. **Barard**. We have approximately 230 pending investigations, Mr. Chairman.

Mr. **Traxler**. What is the average age of those?

Mr. **Barard**. Many of those investigations have been open for over two years.

Mr. **Traxler**. Just as an average, how long does it take to complete an investigation? What is the average time frame?

Mr. **Barard**. I am afraid I do not have the answer to that question. I will be happy to submit it for the record, Mr. Chairman.

[The information follows:]

AVERAGE TIME TO COMPLETE INVESTIGATION

On the average it takes approximately 17 months to complete an investigation.

Mr. **TRAXLER**. If we were to give you the additional 13 work years, would you be able to tell us that the number of investigations and the audits pending at the end of the 1991 year would be less?

Mr. **BARARD**. I would like to tell you that, but I think not, because we have ~~had~~ a lot of disaster activities, and we are opening a lot of investigations ~~as a~~ result of Hurricane Hugo.

Mr. **TRAXLER**. Overall, how do you think the new law is working?

Mr. **BARARD**. The Inspector General Act?

Mr. **TRAXLER**. Yes.

Mr. **BARARD**. I think it is working well. At the present time, however, we do not have a statutory IG. We do not have a presidentially appointed IG on board. We are continuing, however, to do audits and investigations in a very independent fashion.

Mr. **TRAXLER**. When are you going to have a boss?

Mr. **BARARD**. That is left up to the President, Mr. Chairman.

Mr. **TRAXLER**. Wait a minute. I have to give you his quote. You will love this.

He said March 23, "I don't know what the answer is, why they don't have a director, but they got a good acting director."

Maybe that is what he will say about the IG, too.

Mrs. **BOGGS**. Maybe he will say let 'em eat broccoli.

COOPERATION OF AGENCY WITH IG

Mr. **TRAXLER**. We think you are an important agency and we hope that some way or another the voice will be heard down there that says, please, Mr. President.

Are you getting the cooperation of the agency?

Mr. **BARARD**. Yes, sir.

Mr. **TRAXLER**. Are they reading your audits and are they listening?

Mr. **BARARD**. They certainly are, and I think we have a very effective audit follow-up system. The recommendations are being responded to and addressed.

Mr. **TRAXLER**. Mr. Green?

Mr. **GREEN**. I read your reports, too.

Mr. **BARARD**. Thank you, sir.

UNRECONCILED DIFFERENCES IN DISASTER RELIEF

Mr. **GREEN**. I was rather startled in reading the transmittal of October 31, 1989, to discover that an audit currently in progress has identified unreconciled differences in disaster assistance obligations according to the agencies accounting system amounting to approximately $500 million. Even to this subcommittee $500 million is a lot of money to have dangling loose out there.

Could you tell us a little more what that is and what the problem is?

Mr. **BARARD**. We are currently auditing the agency's fund control system, Mr. Congressman, and as a result of that audit, we have identified two subsystems in the agency's accounting system that needed to be reconciled, and they were not reconciled.

They contained a difference of $500 million, and because of that difference, there is a possibility that the agency may have $500 million more than it realized. And to resolve that issue, Mr. Congressman, we believe that the agency is going to have to reconcile its records.

Mr. **McNeill.** Mr. Green, let me ask Mr. Peterson to add a comment to this.

Mr. **Peterson.** I cannot add a comment specifically to the report you have in your hand, but I do not believe that the disaster fund in any way has $500 million that we don't know where it is. We have processed a great deal of applications in a very short period of time. Allocations for approximately $2 billion against obligations of about 1.5. So there is a lot of activity, and I think we have a pretty good handle on it, and those kind of numbers are more money than we think we have in the disaster program, sir.

Mr. **McNeill.** I think, to clear up some of the confusion, I want to ask Mr. Orrell, who is our Comptroller, to make one more comment.

Mr. **Orrell.** Sir, that letter that you referred to makes clear in its transmittal to the director that many of the comments are observations, and they are not backed by formal audits.

Second, in the document that you are talking about there, we have gone back, based on specific audits that we have got from the IG that have been very helpful, and reconciled many, many accounts back through 1985, 1984, et cetera.

Concerning his comment about resolving audit findings, those are being very carefully monitored by the Deputy Director and the Chief of Staff and we are working to close them.

Let me make a specific comment about the $500 million. The basic contention that there is $500 million in the disaster fund that has not been made available through deobligation is just not factual. The point has been made in earlier testimony, that there are many open disasters that have some monies in them that need to be tracked; it takes often two, three, four years after a disaster is over to close it out. That is where you find at times, once it is closed out, there is some money that then needs to be deobligated and transferred back to the fund, but in no way does it add up to $500 million.

Mr. **Green.** Just to set the record clear, this is a report for the period ending September 30, 1989, so I would assume that it really does not deal with Hugo or the earthquake at all, and that if we are talking whatever number—whatever amount we are talking about represents previous disasters and not Hugo and the earthquake; is that correct?

Mr. **Barard.** That is correct.

Mr. **Green.** And I gather that there are two accounts which do not reconcile, and the difference between the two is approximately $500 million?

Mr. **Barard.** That we have been able to identify thus far, that is correct, Mr. Congressman.

Mr. **Green.** Has any progress been made since reconciling those? Do you see any trend?

Mr. **Barard.** The Comptroller has gone back and reconciled certain records for 1989, 1988, and 1987. However, there are problems with records for prior years that are unreconciled and that are still being reflected on the agency's books. We think that that issue needs to be addressed.

Mr. **Green**. Obviously, it is a matter of interest to this subcommittee if there is $500 million more in the till, or $100 million more in the till, or whatever amount there is more in the till than we had anticipated.

I would hope that we could be kept informed of where we stand on this as the year progresses, because it is not irrelevant to the work we have to do.

Mr. **Orrell**. Mr. Green, for the record, there is not $500 million hanging out there that is real money that should be back in the fund. I will testify to that.

I will also furnish our best records all the way back as far as we can, the number of accounts that are open and the amount of money that may not have been deobligated within the normal process that follows a disaster, and we will furnish for the record the account status of the disaster account at this time.

[The information follows:]

STANDARD GENERAL LEDGER

Mr. **Green**. There is also a statement in the transmittal letter that there is no standard general ledger in place, and there is a statement that one needs to be put in place.

Mr. **Orrell**. The Administration, to its credit, has provided across government—not just for FEMA—for the first time a set of core financial requirements, with minimum definitions of what an agency's financial system should be.

We have completed a very comprehensive evaluation of our financial system against those core financial requirements. One of our short-falls, as with many other agencies, is we do not have a government standard general ledger that conforms to those core financial requirements. We have recently acquired one and put it on our system and we are testing it.

We also have in our 1991 budget a request to add other features to our financial system that would offset the kind of comments made in that particular report. I believe we are on track in improving our system. It would take us two to three years to make our system conform with the Administration's core financial requirement.

INTERNAL CONTROLS IN THE REGION

Mr. **Green**. Finally, on page 7 of that report, there is a reference to the need to evaluate internal controls, particularly at the regional offices.

Where do you stand on that?

Mr. **Tidball**. Sir, we have been actively pursuing, through a regional task force, an internal control system for the regions and we feel that we have a good system in place at this point.

RECONCILIATION OF ACCOUNTS

Mr. **Peterson**. Congressman Green, may I offer something just as a point in support of what the Chairman brought up in his questioning.

We have transferred the majority of our resources in the disaster assistance program to deal with the catastrophic events that are on our plate, and we do have disasters that need to be closed out.

Our decision was to focus our resources and personnel on helping people who were in trauma and in need now. So with our help of resources, we are going to continue to pursue that mind-set at this point in time. That is where we think we are going.

Mr. **Green**. But I gather from the report on page 6 that the disagreements are not just within agency records, but between agency records and Treasury records?

Mr. **Barard**. That is correct. There is a difference.

Mr. **Green**. And is that being resolved also?

Mr. **Barard**. We have made a number—I am sorry.

Mr. **Orrell**. If you are talking about the disaster program and its fund, I have answered that question.

In talking about other funds, we have undertaken a very comprehensive reconciliation program and gone back through all of our accounts over the past several years to resolve those, either within audits being conducted by the IG, or on our own. We believe our books are in very good balance now, and our year-end reports for the past year have had a very clear report that shows a balance between what we are reporting externally and our books.

For example, sir, just to clarify it, one of the audits that we are talking about was a review of fiscal year 1987. So the answer is, we were given an audit, the findings were there, and we are in the process of either having resolved them or are resolving them.

Second, if you are talking about today's reports—the last one we submitted was the end of fiscal year 1989—that problem doesn't exist.

Mr. **Barard**. I agree with what the Comptroller is saying. This report was one where we looked at activities for 1987. We think that the Comptroller's office has adequately addressed our recommendations.

However, we have not gone back to verify the adequacy of subsequent reports that have been submitted, but we do believe that sufficient action has been taken to correct the problems that we have identified.

Mr. **Green**. For 1987?

Mr. **Barard**. And to prevent the reoccurrence of future inadequacies in the submission of the reports, but we have not gone back to verify that fact.

Mr. **Green**. So that at this time your accounts and the Treasury accounts for you are reconciled?

Mr. **Barard**. Well, that is what the Comptroller is saying, and I think they have complied with our recommendations, so absent anything to the contrary, I would agree with what he is saying.

Mr. **Green**. Thank you, Mr. Chairman.

Mr. **Traxler**. Well, I think we are going to shut down for the lunch hour, but I want to say that your reports may not be a best seller, but they are read, and we appreciate them, and, of course, that is why we have an independent IG within the agency, and we appreciate the response on the part of the Comptroller. This is an area that clearly the committee is concerned about and we will be watching in the future, and as Bill would say, it is yet to be determined.

So we will be back at two o'clock and we look forward to seeing all of you at that time.

Thank you.

Afternoon Session

CIVIL DEFENSE GIVEN WORLD SITUATION

Mr. **Traxler**. We will start with Emergency Management Planning and Assistance. The Administration request is $277,042,000, for EMPA in fiscal year 1991, which is an increase of $3,399,000, or 1.2 percent above the 1990 appropriation.

Additionally, the agency is proposing to transfer $45,023,000 from the National Flood Insurance Fund for Flood Plain Management activities in 1991.

Let's turn to Civil Defense. In this account you are requesting $132,986,000 for fiscal year 1991, which is an increase of $4,075,000 above the 1990 appropriation.

Of course, the logical question is why, with the dramatic change in world events, should we increase Civil Defense?

Mr. **McNeill**. I will ask Mr. Peterson to respond to that question.

Mr. **Traxler**. You probably should call Cheney.

Mr. **Peterson**. Under the Civil Defense Act, we first should start off by saying that we understand the intent of Congress in setting nuclear attack primacy as the way we should look at Civil Defense.

However, natural and technological expenditures can be made as long as they do not detract from nuclear attack primacy.

We came to you about three years ago with a new thrust, a President's national security decision directive which emphasized dual use. We have been keeping true to that commitment, and have emphasized greatly the dual use aspect of the Civil Defense Program.

You see tremendous enhancements in the policy of building survivable crisis management capability for infrastructure. If anything has proven that to be a righteous position, it was Hurricane Hugo in Saint Croix, the Carolinas, or Puerto Rico. The Governor's offices in the Virgin Islands, Puerto Rico and South Carolina, have all asked us to come in and do an evaluation of their survival crisis management capability.

Final statement, we are all very pleased and encouraged to see the events that are going on in Eastern Europe, and we applaud them. But it's also true that the capability for an intercontinental ballistic strike has not diminished technologically. They are as advanced and numerous as they have ever been.

And there certainly is an element of destabilization that we should be concerned with. So I do not believe that now is the time that we should be recommending a withdrawal.

Also the benefits from the Civil Defense Program greatly enhance all hazards, including nuclear attack; and 75 cents of every dollar in this budget goes directly to state and local governments.

INCREASED EMPHASIS ON NATURAL HAZARDS

Mr. **Traxler**. Is it fair to say that you have been moving—well, that you have been engaged in placing some emphasis on natural and technological hazards planning in this regard?

Mr. **Peterson**. That is correct, Mr. Chairman.

An example of that, very quickly, is that we require plans to be made in each one of the emergency management areas, and they are exercised over a four-year period of time.

One year is a natural disaster exercise. The next year is a technological disaster exercise. The third year is a national security exercise. And the fourth year the type of exercise conducted is selected by the jurisdiction.

So it's all hazards, including nuclear attack.

Mr. **Traxler**. We note in the prepared statement from Mr. Morris that there is a paragraph that says, "I would like to point out at this time that the Administration will be undertaking a major policy review of the Civil Defense Program to determine what changes may need to be made in light of the rapidly changing world situation."

We will be asking you more about that next year.

Mr. **Peterson**. Yes, sir.

EMERGENCY MANAGEMENT ASSISTANCE GRANTS

Mr. **Traxler**. For Emergency Management Assistance Grants, you are requesting $60,128,000, a decrease of $54,000 below last year's appropriation.

Local governments rely heavily on the use of these grants to develop their own emergency assistance plans.

Can you justify a decrease in this line item?

Mr. **Peterson**. Yes. However, I wish I could take that $54,000 decrease back. It's generated considerable interest.

That really came about when we factored in the sequester, and when we factored in the sequester and the Gramm-Rudman figures, it dropped down below the previous year's estimate.

There have been substantial increases in this category consistently over the last two or three years, and we continue to support the EMA Program in the strongest of terms.

Mr. **Traxler**. Do you want us to keep adding to this good program?

Mr. **Peterson**. This is a good program; it supports 2,632 jurisdictions and 6,000 people in the field and gives us our base for emergency response, sir.

Mr. **Traxler**. Thank you.

Mr. **Peterson**. Yes, sir.

FORMULA FOR DISTRIBUTION

Mr. **Traxler**. Do you have a formula in which you make the determination as to what the states receive? How is that done?

Mr. **Peterson**. It's done by formula, sir, and it's done on population threat and effort on the state, by the state.

Mr. **Traxler**. Is there a proposal that would change this distribution system?

Mr. **Peterson**. There was a proposal to reduce the formula because it had four tiers to it. And it was quite complex. We have recommended that it go to three tiers with the third tier being more heavily based on population than on the aggressiveness of a state to add more emergency management districts.

Mr. **Traxler**. Will you prepare for the record a table showing the distribution of these grants to the states for the fiscal years 1989, 1990, and 1991?

Mr. **Peterson**. Yes, sir.

[The information follows:]

DISTRIBUTION OF EMERGENCY MANAGEMENT ASSISTANCE GRANTS TO STATES - 1989-1991

STATE/TERRITORY	ACTUAL OBLIGATIONS 1989	ALLOCATIONS 1990 (000'S)	ESTIMATED ALLOCATIONS 1991 (000'S)
ALABAMA	1,075	1,069	1,069
ALASKA	446	385	385
ARIZONA	908	936	936
ARKANSAS	791	779	779
CALIFORNIA	4,857	4,902	4,902
COLORADO	866	874	874
CONNECTICUT	882	848	848
DELAWARE	472	491	491
DISTRICT OF COLUMBIA	496	501	501
FLORIDA	2,233	2,320	2,320
GEORGIA	1,398	1,383	1,383
HAWAII	590	584	584
IDAHO	467	524	524
ILLINOIS	2,271	2,254	2,254
INDIANA	1,235	1,240	1,240
IOWA	787	796	796
KANSAS	763	761	761
KENTUCKY	952	953	953
LOUISIANA	1,119	1,075	1,075
MAINE	581	591	591
MARYLAND	1,127	1,139	1,139
MASSACHUSETTS	1,259	1,250	1,250
MICHIGAN	1,887	1,878	1,878
MINNESOTA	1,412	1,388	1,388
MISSISSIPPI	783	768	768
MISSOURI	1,138	1,142	1,142

STATE/TERRITORY	ACTUAL OBLIGATIONS 1989	ALLOCATIONS 1990 (000'S)	ESTIMATED ALLOCATIONS 1991 (000'S)
MONTANA	525	529	529
NEBRASKA	584	573	573
NEVADA	514	538	538
NEW HAMPSHIRE	391	403	403
NEW JERSEY	1,647	1,653	1,653
NEW MEXICO	415	504	504
NEW YORK	3,714	3,714	3,714
NORTH CAROLINA	1,417	1,434	1,434
NORTH DAKOTA	500	507	507
OHIO	2,032	2,075	2,075
OKLAHOMA	859	861	861
OREGON	791	804	804
PENNSYLVANIA	2,311	2,291	2,291
RHODE ISLAND	437	437	437
SOUTH CAROLINA	951	958	958
SOUTH DAKOTA	455	455	455
TENNESSEE	1,147	1,141	1,141
TEXAS	2,934	2,974	2,974
UTAH	628	632	632
VERMONT	257	374	374
VIRGINIA	1,281	1,297	1,297
WASHINGTON	0	1,110	1,110
WEST VIRGINIA	608	617	617
WISCONSIN	1,186	1,163	1,163
WYOMING	466	469	469
AMERICA SAMOA	52	77	77
GUAM	107	146	146
NORTH MARIANA ISLANDS	50	68	68
PUERTO RICO	960	943	943

FY 1990 STATUS OF DISASTER RELIEF FUND
Obligations

(In thousands of dollars)

Hugo and California As of: March 31, 1990	Current Allocation	Virgin Islands DR-841	Puerto Rico DR-842	South Caroline DR-843	North Caroline DR-844	Hurricane TOTAL	California DR-845	SUB-TOTAL	All Others	Total Obligated	Unobligated Balance
OBJECT CLASS											
Personnel Costs											
11.1 Full-time permanent....................	...	...	...	...	...	...	...	...	...	...	...
11.3 Other than full-time permanent.........	26,196	$2,343	$6,828	$3,684	$374	$13,229	$3,275	$16,504	(4,314)	12,190	14,006
11.5 Other personnel compensation...........	18,178	...	...	...	...	...	...	...	7,038	7,038	11,140
11.8 Special personal services payments.....	...	...	...	...	...	...	...	...	...	0	...
Total Pay....................................	44,374	2,343	6,828	3,684	374	13,229	3,275	16,504	2,724	19,228	25,146
12.1 Benefits-civilian......................	3,530	167	504	263	25	959	242	1,201	195	1,396	2,134
12.2 FERS...................................	...	...	...	...	...	...	...	...	...		...
13.0 Benefits for former personnel..........	450	...	...	...	...	...	...	...	...		450
Non-Personnel Costs											
21.0 Travel and transportation of persons...	30,035	2,815	6,859	2,185	391	12,250	3,034	15,284	3,321	18,605	11,430
22.0 Transportation of things...............	5,370	1,244	920	23	12	2,199	29	2,228	271	2,499	2,871
23.1 Rental payments to GSA.................	...	...	...	...	...	...	...	...	...	...	...
23.2 Rental payments to others..............	...	...	...	...	...	...	...	...	...	...	...
23.3 Communications, utils. & misc. charges.	8,747	363	826	880	97	2,166	1,719	3,885	1,540	5,425	3,322
24.0 Printing and reproduction..............	1,098	52	212	15	20	299	74	373	406	779	319
25.0 Other services.........................	236,607	40,067	12,220	50,550	872	103,709	25,024	128,733	26,185	154,918	81,689
26.0 Supplies and materials.................	3,414	257	922	457	95	1,731	171	1,902	518	2,420	994
31.0 Equipment..............................	8,746	1,059	1,253	734	146	3,192	1,415	4,607	303	4,910	3,836
32.0 Land and Structures....................	...	...	...	...	...	...	...	...	...	...	...
33.0 Loans	...	...	...	...	...	...	...	...	...	...	...
41.0 Grants	2,054,460	201,823	606,903	289,910	46,933	1,145,569	171,116	1,316,685	61,452	1,378,137	676,323
Total Obligations............................	2,396,831	250,190	637,447	348,701	48,965	1,285,303	206,099	1,491,402	96,915	1,588,317	808,514

STATE/TERRITORY	ACTUAL OBLIGATIONS 1989	ALLOCATIONS 1990 (000'S)	ESTIMATED ALLOCATIONS 1991 (000'S)
TRUST TERRITORY	0	0	0
VIRGIN ISLANDS	100	108	108
INDIAN TRIBE SET	0	0	0
UNDISTRIBUTED	7	496	442
TOTAL	$58,123	$60,182	$60,128

MATCHING FUNDS

Mr. TRAXLER.—One of the objectives for the emergency management assistance grants is to help develop a methodology for incorporating non-participating communities in the overall plan.

How do you provide a carrot to those communities?

Mr. PETERSON. If the community will make a commitment on their own right to provide for an emergency management coordinator and to work into the process of developing plans for all hazards, the carrot is that we will provide matching funds up to 50 percent by the law for personnel.

And they then become available to access the other categories of equipment and infrastructure. That is the carrot, sir.

CIVIL DEFENSE FUNDING FOR WASHINGTON STATE

Mr. TRAXLER. We asked some questions last year about cutting off Civil Defense funding for the State of Washington because of its refusal to participate in national security exercises. And we are told that the State of Washington and FEMA still have not come to an agreement over the required Civil Defense exercises, but you're still talking.

What is happening there?

Mr. PETERSON. We are keeping the doors open. We are very hopeful that Washington State can come into the program.

I have been out there personally trying to find a way to work with the state and will be out there again in April addressing this issue.

We are all trying to find a way to do it. They have a very restrictive state law that was not interpreted strictly for the first couple of years after it was passed and then it was decided to interpret the law very strictly.

And that has caused all of us a problem in coming together, sir.

RADIOLOGICAL INSTRUMENTATION

Mr. TRAXLER. You are requesting $12,005,000 for the radiological defense program in 1991, which is an increase of $782,000 above fiscal 1990 levels. This entire increase will be in the area of instrumentation.

We note that in the budget justifications on Page EM-27, 10,000 dosimeters have been procured and that contracts will be awarded in 1990 to initiate the procurement of dosimeters, chargers and ratemeters.

How many more dosimeters do you plan to procure over the next several years?

Mr. PETERSON. We are looking for about 6,000,000 to meet base level Survivable Crisis Management dosimeter requirements.

We have approximately 2.9 million dosimeters in place now distributed at the State amd local level of government.

The enhancement of the radiological manufacturing and industrial capability was brought about under the surge concept, which basically said we do not believe that it's appropriate to fund to the 60,000,000 level of instruments that would be required for an instrument for each family.

Therefore, we need an industrial base that can surge in the time of crisis to that level. The funding that we have here went out on contract for the purpose of identifying manufacturing capability, so we could define a base and in the future, if need be, surge.

So it's a cost-effective way of approaching radiological defense, I believe, sir.

USE OF RADIOLOGICAL INSTRUMENTATION IN PEACETIME

Mr. **Traxler**. To what extent have these instruments been used for peacetime accidents?

Mr. **Peterson**. The radiological instrumentation comes to us in a number of ways. One is multimeters, which is a portion of the 4.5 million. Those multimeters can be used and are used for all hazards because they have a beta detection capability, as well as gamma.

They are used and relied upon heavily by the nuclear power industry and at the local levels in order to have instrumentation available to local officials around nuclear power plants.

So that side of it is used for all hazards. The dosimeter, which is a direct read instrument of rate and dose, is primarily utilized for national security purposes. It's made available in the 20 roentgen, 200 roentgen, and 200 milliroentgen level.

The 200 milliroentgen level can be used in sensitive situations around nuclear reactors if there is a core melt problem.

Mr. **Traxler**. For the record, will you provide us a list of incidents, if there were any, where FEMA made dosimeters available for radioactive accidents and the numbers that were used and any other pertinent information.

Mr. **Peterson**. Yes, sir.

[The information follows:]

List of Radiological Incidents Where FEMA Dosimeters Were Available

It is important to point out that across this nation, State and local emergency services personnel, police, fire, etc., have had training in the use of civil defense radiological instrumentation for first at the scene response. Civil defense radiological instruments are part of most State and local Hazardous Materials response team equipment. For purposes of responding to your question, I am providing two tables as follows: List of Incidents Where Civil Defense Radiological Instruments Were Used; and States That Use Civil Defense Radiological Instruments As Part Of Off-site Radiological Emergency Response Plans For Nuclear Facilities. The largest single event involving the use of civil defense radiological dosimeters was the Three Mile Island Reactor Incident. Over 10,000 supplemental dosimeters were provided to the State of Pennsylvania during the incident to complement the existing State and local radiological instrument inventory for use by assigned emergency personnel. (Tables follow.)

TABLE 1

LIST OF INCIDENTS WHERE CIVIL DEFENSE RADIOLOGICAL INSTRUMENTS WERE USED

DATE	LOCATION	RESPONDER	TYPE OF INCIDENT
1979	Pennsylvania	F/S/L personnel	Three Mile Island
1982	Minnesota	Emergency Services	Shipping container accident at Minneapolis Airport
1987	Minnesota	State Highway Personnel	Lost soil density source
1989	Michigan	Emergency Services State Health	Lost Radium source
1990	Ohio	State Hazmat Team	Damaged shipping container at Port Columbus Airport
1985	North Dakota	Emergency Services	Train/truck collision involving transport of radioactive materials
1983	Missouri	State/Local Emergency Services	Truck transport accident involving radioactive pharmaceuticals
1986	Missouri	State/Local Police and Highway	Truck accident involving transport of Molybdenum 99 generators
1981	Alaska	Local Emergency Services	Fire involving radioactive material contained in a soil density gauge

LIST OF INCIDENTS WHERE CIVIL DEFENSE RADIOLOGICAL INSTRUMENTS WERE USED

1989	Alaska	Local Emergency Services	Radiopharmaceutical spill at Fairbanks
1984	Mississippi	State/Local Emergency Services	Radiopharmaceutical transport accident
1988	Mississippi	State/Local Emergency Services	Two separate incidents; tracking down radioactive pipes
1982	Vermont	Local Emergency Services	Damaged radiopharmaceutical package
1978	West Virginia	State/Local Emergency Services	Bluefield train accident involving radioactive material
1990	New Jersey	State/Local Emergency Services	Truck accident involving shipment of radioactive material
1989	New Jersey	State Highway Patrol	Truck accident involving radioactive material
1989	Nevada	Local Emergency Services	Accident involving shipment of radioactive waste
1984	New York	State Highway Patrol	Truck accident involving transport of radiopharmaceuticals
1989	Kansas	State/Local Emergency Services	Truck/train accident involving radioactive material on a truck
1988	Kansas	Local fire	Five crates marked "radioactive"

LIST OF INCIDENTS WHERE CIVIL DEFENSE RADIOLOGICAL INSTRUMENTS WERE USED

			located in Kansas City fire
1987	Kansas	State Highway	Truck accident transporting radioactive material
1981	Maryland	Local Emergency Services	Fire at a manufacturing plant involving Cobalt 60
1989	Maryland	State HAZMAT	Car/truck accident involving radioactive materials
1983	Arizona	State/Local Emergency Services	"Mexican Rebar" incident
1988	Wyoming	State/Local Emergency Services	Truck rollover involving radioactive material
1989	Texas	Local fire	Fire involving soil density gauge
1983	Texas	State/Local Emergency Services	Monitored border entry for "Mexican Rebar"

TABLE 2

STATES THAT USE CIVIL DEFENSE RADIOLOGICAL DOSIMETERS AS PART OF OFFSITE RADIOLOGICAL EMERGENCY RESPONSE PLANS FOR NUCLEAR FACILITIES

SITE	STATES
Connecticut Yankee	Connecticut Massachusetts Rhode Island
Maine Yankee	Maine
Millstone	Connecticut New York Rhode Island
Pilgrim	Massachusetts Rhode Island
Seabrook	New Hampshire Massachusetts Maine
Vermont Yankee	Vermont Massachusetts New Hampshire New York
Yankee Rowe	Massachusetts Vermont Connecticut New Hampshire New York
Artificial Island	New Jersey Delaware Pennsylvania Maryland
Fitzpatrick	New York
Ginna	New York Canada
Indian Point	New York Connecticut Pennsylvania
Nine Mile Point	New York
Oyster Creek	New Jersey Pennsylvania New York

SITE	STATES
Cooper Station	Nebraska Missouri Iowa Kansas
Fort Calhoun	Nebraska Iowa
Wolf Creek	Kansas
Fort St. Vrain	Colorado
Diablo	California
Palo Verde	Arizona
Rancho Seco	California
San Onofre	California
Trojan	Oregon Washington
WPSS 1,2	Washington Oregon

SITE	STATES
Davis Besse	Ohio Michigan Canada
Dresden	Illinois Indiana
Fermi-2	Michigan Ohio Canada
Kewaunee	Wisconsin
LaSalle	Illinois
Monticello	Minnesota
Palisade	Michigan Indiana
Perry	Ohio Pennsylvania Canada
Point Beach	Wisconsin
Praire Island	Minnesota Wisconsin
Quad Cities	Illinois Iowa
Zion	Illinois Wisconsin
Arkansas	Arkansas
Comanche Peak	Texas
River Bend	Louisiana Mississippi
South Texas	Texas
Waterford	Louisiana
Duane Arnold	Iowa
Calloway	Missouri

SITE	STATES
Grand Gulf	Mississippi Louisiana
Harris	North Carolina
Hatch	Georgia
McGuire	North Carolina South Carolina
Oconee	South Carolina Georgia North Carolina
Robinson	South Carolina North Carolina
St. Lucie	Florida
Sequoyah	Tennessee Alabama Georgia North Carolina
Summer	South Carolina
Turkey Point	Florida
Vogtle	Georgia South Carolina
Watts Bar	Tennessee Georgia North Carolina
Big Rock Point	Michigan
Braidwood	Illinois Indiana
Byron	Illinois Wisconsin Iowa
Clinton	Illinois
D.C. Cook	Michigan Illinois Indiana

SITE	STATES
Shoreham	New York Connecticut
Beaver Valley	Pennsylvania Ohio West Virginia
Calvert Cliffs	Maryland Virginia District of Columbia Delaware
Limerick	Pennsylvania Delaware Maryland New Jersey
North Anna	Virginia Maryland
Peach Bottom	Pennsylvania Maryland Delaware New Jersey
Surry	Virginia North Carolina
Susquehanna	Pennsylvania
Three Mile Island	Pennsylvania Maryland
Bellefonte	Alabama Georgia Tennessee
Browns Ferry	Alabama Tennessee
Brunswick	North Carolina South Carolina
Catawba	North Carolina South Carolina
Crystal River	Florida
Farley	Alabama Georgia Florida

CAJON PASS LIFELINE STUDY

Mr. **Traxler**. In the 1990 conference report, the conferees agreed that $300,000 should be used to conduct a study of the lifeline system located in Cajon Pass, California. What is the status of that lifeline systems study?

Mr. **Peterson**. That lifeline system is a benchmark, we believe, for the California area, looking at the lifelines where they do have road, rail, and very large transportation of flammable liquids, natural gas, et cetera.

The contract is now being let. While we do not expect to use this as a specific lifeline study only for the Cajon Pass area, we want to evaluate how the lifelines were located in those areas, what were the planning policies and procedures, and use that as a base to evaluate much broader lifeline issues, especially for earthquakes throughout the Nation.

Mr. **Lewis**. I have some questions, Mr. Chairman.

Mr. **Traxler**. Please.

Mr. **Lewis**. One of the items that relates to that specific study involves the fact that a couple of months before, a burst of one of those lifelines led to the destruction of one of those houses, and a train coming down the pass at 90 miles an hour, destroyed a number of houses in exactly the same spot.

It was incredible to me that in some way, people who are looking at that emergency, didn't see the potential for another emergency when the train itself hit on top of a gas line that was underground. Two months later, people seemed to be surprised that there might have been a leak there.

How did that occur, and what did we learn from that, relative to emergency planning?

Mr. **Peterson**. I think what we have learned and what we hope to learn in much more detail from this study is that the planning process for lifelines in the United States may not be taking into account the potential of all hazards related to the impact of that specific area where the lifelines are, and certainly remedial actions, should there be a break. We have seen disasters where reservoirs just recently have failed, and they had lifelines that were seriously impacted and compounded the problems. So it's a planning process.

The Cajon Pass, we hope, is going to give us a better understanding of how governments and utilities work together, as well as the transportation industry, when they make decisions on locations. And from that, we hope to be able to provide some publications and information transfer to local governments for their consideration.

LESSONS LEARNED FROM EARTHQUAKE

Mr. **Lewis**. Mr. Chairman, if I might, you started this section by mentioning the earthquake in California, which, of course, got all of our attention.

Some years ago, this subcommittee asked FEMA if it wasn't time for us to begin modeling what we might do in terms of a major earthquake tragedy and what kind of planning needs to take place relative to transportation, hospital care, et cetera, et cetera.

And the response was something less than a dull roar at that moment. I sense that the roar may be developing. Can you give us for the record, the four or five most important lessons you think we learned from the San Francisco earthquake relative to FEMA's responsibility? What kinds of items would you recommend that this committee consider in terms of future possible appropriation requirements?

Mr. PETERSON. Mr. Congressman, the first thing that we learned of paramount importance is that planning and exercises work. We had a major exercise in California in August, two months prior to the earthquake that we had there.

We had over 550 Federal employees from 25 Federal agencies representing the Catastrophic Disaster Response Group that responded to Sacramento and then worked off of the request made by the California Emergency Management Community.

We are there to supplement the state. The advantage of working with California was, they had a very good risk analysis, and they had a very good seismic threat identified, so they were able to provide realistic scenarios for us to exercise from.

When Loma Prieta came, we were able to pull that Catastrophic Disaster Response Group together in Washington, D.C. within two-and-a-half hours and were talking to the Catastrophic Emergency Management Community within two-and-a-half hours saying, we are ready; what do you need?

That is a quantum leap from where we were three years ago.

The other aspect, I think, that we have to look at is that California is unique in that it has major resources and that we have been providing substantial funds on a fiscal year basis to California for earthquake preparedness.

We also have learned that there are 17 other states with a potentially equal high risk, and another eight that want to come on board to be involved in our program that do not have the hazard identified, the seismic risk identified, the plans to be exercised.

The other thing we learned is that mitigation works. A mitigation program of building codes that have been implemented in California saved many lives, and we are emphasizing in our new earthquake budget mitigation and seismic design for information transfer.

We are very pleased with the Administration's budget, which has doubled funds for earthquake dealing with these issues in the 1991 budget, and that is the thing that we needed to have so we could move stridently forward in the leadership role of the National Earthquake Hazard Reduction Program.

So I guess you asked me what we need; I am telling you I appreciate what you have given us and we need to be able to move forward rapidly with that.

CALIFORNIA FREQUENCY EVALUATION

Mr. LEWIS. Let me mention, Mr. Chairman, that the last major earthquake in California with significant damage preceding this most recent San Francisco quake, was in 1972; and during that quake we lost, among other things, a Veterans Hospital.

It's overly simplistic for me to say that it was a bit ironic that we had been calling for a Veterans Hospital in my own territory many, many years. It was in the Plumas district, and we built that hospital as a result of it. But we did build it essentially on the San Andreas Fault.

I am hopeful that we are really experimenting with construction in connection with that. As a result of the 1972 quake, there was a call for major evaluation of the freeway system in California. Many freeways needed shoring up and contracts were let to increase their strength.

Can you give us any indication as to why that work was not completed on the San Francisco freeway? I know that it's not your job to do that, but you are the emergency planning agency, and I am wondering if there was any follow-up to the problems that we could foresee at that point?

Mr. Peterson. To be able to speak to your issue specifically, I need to do a little more homework on that issue. And I would be glad to provide additional information.

But the Inneragency Committee on Seismic Safety and Construction has 25 Federal families on that committee now. One of them is DOT, and we are evaluating collectively what needs to be done to reevaluate already constructed facilities and what technology transfer can be applied so that this kind of construction will not be the norm in the future.

It's not now the norm in high earthquake areas where people understand the threat.

Mr. Lewis. I do know that there was focus upon the freeways. There were many contracts let. I also understand that that specific link of freeway was one of the priorities in Northern California.

I haven't had an answer yet as to why it wasn't worked on, or why that work wasn't completed. I would appreciate it for reasons separate from this committee's interest.

This committee's direct interest is in the Veterans Hospital. I think it might be helpful, for the record, to know what was taken into consideration when that hospital was built, relative to the earthquake's threat that took out the other hospital and led to ours in the first place.

Mr. Peterson. Congressman, can I ask the Department of Transportation to assist us in our response on the Federal highways?

Mr. Lewis. Sure.

[The information follows:]

Seismic Concerns for California Highways and VA Hospital

As a result of the San Fernando earthquake in 1971, the State of California initiated a multiphase program to address the seismic hazard. For new highway construction projects, primarily bridges, the State of California adopted stringent design standards. Based on our information, no structure that was designed and constructed in accordance with those codes has failed.

For existing bridges, the State initiated a program to tie the superstructure to the abutments and columns. This phase is basically completed. The State also has a retrofit program to address existing bridges. This consists of designing the appropriate modification. Contracts have been let for retrofitting; however, the Loma Prieta earthquake occurred before much could be accomplished. The State is prioritizing all projects.

For a more detailed explanation, both the Department of Transportation (DOT) and the Department of Veterans Affairs (VA), active members of the Interagency Committee on Seismic Safety in Construction (ICSSC), have been requested by the National Institute of Standards and Technology (NIST) ICSSC Chairman to provide answers to these questions. Both DOT and VA have active and aggressive seismic safety programs and can provide the most complete, up-to-date answers. The request is made through the ICSSC Secretariat which is charged with coordinating seismic safety activities within the Federal community under the National Earthquake Hazards Reduction Program (NEHRP). The Secretariat, which FEMA funds, has been asked to provide the answers to me within 30 days and I will provide them to you immediately upon receipt.

Mr. PETERSON. I would like to say one other thing.

Urban search and rescue was identified as a major shortcoming in Response 1989, as well as Loma Prieta. And we have taken actions through the Administration's budget to give us a national capability in concert with the Fire Administration.

Mr. LEWIS. Thank you, Mr. Chairman.

URBAN SEARCH AND RESCUE

Mr. TRAXLER. Do you know where the question of adequate search and rescue efforts and urban areas got raised first?

Mr. PETERSON. Yes, I do, sir. I even remember the name of the individual you gave to me to get in contact with from the construction site, and I did that, sir.

Mr. TRAXLER. That was our next question. The conference agreement added $200,000 to develop a data base of public and private sector capabilities for heavy search and rescue efforts in the urban areas.

You recently held a conference in Seattle, as I understand it, on heavy search and rescue efforts. How did that come out? What do you think?

Mr. PETERSON. I was very encouraged. I went to that conference in January with some trepidation, trying to bring 80 of what we felt were the best minds in urban search and rescue together in a joint conference cosponsored by the Fire Administration and the state and local programs in FEMA.

I went to that conference with a number of agendas. One was, can we come up with a national criteria for what a team is? That is, can we come to consensus on what a national response team should look like for urban search and rescue?

Secondly, can we come to concensus on contractual agreements with local governments so that when the event happens and the bell rings, we have teams that are ready and certified, and so that we know what we are getting people who have already agreed to respond with specific equipment and expertise.

We can move them with DOD resources authorized under their commitment to the Catastrophic Disaster Response Team, but we had to identify where they were, what kind of a team it is, and find the mechanisms for transportation.

We came out of that conference with an agreement on those two issues, albeit interim, but at least an agreement. That was very encouraging to me.

Additionally, the contract is now let for that inventory to begin to identify what is really out there in the world as far as urban search and rescue capability. We have found great diversity in what one community may call heavy urban search and rescue and what another community may require as urban search and rescue. So we are bringing that to concensus.

Finally, the fact that the Administration has given us funds to add in 1991 to the enhancement of this program, I believe, is a major statement. And one that has been very well received by the urban search and rescue community.

The job is bigger than I thought it was going to be, because the capability is not as extensive as I thought it would be, sir.

Mr. **Traxler**. Let me just finish for a moment on this point.

On that question, we put up $200,000 to develop the data base, and you had a transfer of $3,000,000 from the Office of the President under the Emergency Disaster Appropriation of last year.

Mr. **Peterson**. Yes, sir.

Mr. **Traxler**. How long will that carry you, and will you need a 1991 appropriation for this purpose?

Mr. **Peterson**. Out of the P.L. 101-130 special appropriation for 3,000,000, we are using 2,200,000 for matching grants directly to states for earthquake preparedness.

Eight hundred thousand of that is going to matching grants for states for search and rescue.

In 1991, we have $2,000,000 in the budget for urban search and rescue, so we feel that we are okay.

Mr. **Traxler**. We didn't find that $2,000,000

Mr. **Peterson**. It's under the earthquake program sir.

Mr. **Traxler**. Just identify it for staff later on; will you please?

Mr. **Peterson**. Yes, sir.

Mr. **Traxler**. Mrs. Boggs.

Mrs. **Boggs**. In cooperation with the Department of Transportation, am I correct in assuming that urban search and rescue includes the Coast Guard?

Mr. **Peterson**. It does, under the Interagency Committee, yes. The Coast Guard is under DOT and becomes an element of input through that process.

Mrs. **Boggs**. Thank you, Mr. Chairman.

Mr. **Peterson**. They become very valuable, we realize lately.

ADEQUACY OF HURRICANE BUDGET

Mr. **Traxler**. Turning to the hurricane program, you are requesting $896,000 in 1991, an increase of $25,000 above the 1990 level. This increase will restore the program back to its fiscal year 1989 level.

Based on last year's disaster with Hurricane Hugo, why only a restoration of the program to 1989 levels?

Mr. **Peterson**. We feel that hopefully that this was an anomaly, that we are not going to get this every year.

In light of the budget constraints, we asked for it to be brought back to the normal level.

We do have major projects scheduled for Southeast Florida and Louisiana, Virginia, and Hawaii in the next year. Beyond that, we already have programs for Massachusetts, Rhode Island, Connecticut, Long Island, Galveston, New York, Southwest Florida, and Tampa Bay.

So we believe we have got about as much on the plate as we can adequately do within the time that we have in the fiscal year.

I think the budget is reasonably adequate, sir.

HURRICANE RISK AREAS

Mr. **Traxler**. According to the budget justifications on Page EM-97, FEMA directs its efforts towards conducting hurricane preparedness studies in 28 highly populated risk areas. Currently, However, FEMA is only studying 15. Why are the other 13 areas not being studied?

Mr. **Peterson**. We are taking them on what we feel is a risk prioritization schedule. We believe that they should be studied down line, and they will be studied down line.

Mr. **Traxler**. When do you anticipate that you will move onto those?

Mr. **Peterson**. I am going to have to give you for the record the time of completion for the 15 that we have, and I will be glad to do that, sir.

Mr. **Traxler**. Will you also list the 15 areas that are currently being studied?

Mr. **Peterson**. Yes, sir.

[The information follows:]

HURRICANE PREPAREDNESS STUDIES

Of the 28 risk areas, 10 hurricane evacuation studies have been already completed and the following table provides the presently scheduled completion date of the remaining studies, some of which are restudies:

Completed Hurricane Evacuation Studies

Brownsville, Texas
Corpus Christi, Texas
Beaumont/Port Arthur, Texas
Tri-State (Alabama, Mississippi, Florida panhandle)
Georgia
South Carolina
North Carolina
Delaware
Honolulu, Hawaii
Virgin Islands

Hurricane Evacuation Studies Presently Underway

	Scheduled Completion
Southern Massachusetts	FY 1992
Rhode Island	FY 1992
Connecticut	FY 1991
Long Island, New York	FY 1992
New Jersey	CY 1990
Maryland	CY 1990
Virginia	FY 1991
Cape Canaveral, Florida	FY 1992
Southeast Florida (R)	FY 1991
Charlotte Harbor (Southwest), Florida (R)	FY 1993
Tampa.Bay (R)	FY 1993
Southeast Louisiana	FY 1991
Galveston, Texas (R)	FY 1993
Oahu, Hawaii	FY 1991
Puerto Rico (San Juan)	FY 1990

(R) = Revision of Earlier Completed Study

Hurricane Evacuation Studies Not Yet Initiated

Boston Bay, MA	FY 1996
Matagorda, TX	FY 1996
Guam, Samoa, & Pacific Territories	FY 1997

RADIOLOGICAL EMERGENCY PREPAREDNESS PROGRAM LEVEL

Mr. **Traxler**. Turning to technological hazards, this year you have slightly restructured your budget by grouping the Radiological Emergency Preparedness Program with the Hazardous Materials Program, and you have renamed it Technological Hazards.

You indicate that this was done because of the commonality of content and doesn't affect the identity of either program element.

In last year's budget justifications, you requested the increase for the REP Program. Your request for 1991 of $4,760,000 is less than the fiscal 1989 level of $4,924,000.

Why is it you want to decrease the Radiological Emergency Preparedness Program?

Mr. **Peterson**. We believe that we are reaching a point of stabilization, and I would like to extend our appreciation to the committee for providing us additional resources during very stressful times.

We believe we have reached a level that we can now deal with the issues. We do not have the very large dollar costs for new plants coming on board that we had for Seabrook and Shoreham, which in themselves consumed up to $700,000 per exercise, where as the average exercise cost is around $120,000.

I believe we are stabilizing out, sir.

Mr. **Traxler**. Was that your request, or was that OMB's decision?

LESSONS LEARNED FROM CHERNOBYL

Mr. **Peterson**. I believe this was our request, sir.

Mr. **Traxler**. In the budget justification on Page EM-116, you plan in 1991 to complete a "lessons learned" report on Chernobyl-type accidents, implement these lessons through the Federal Radiological Preparedness Coordinating Committee.

Is the report currently underway; and if so, have you made any findings?

Mr. **Peterson**. It's just underway. We do not have findings from it. What we want to do is see if our process can gain anything from what happened in Chernobyl. So we are doing an analysis of what happened over there.

Other nations are looking to us also, because they feel we have a very good process.

Mr. **Traxler**. Tell me what other agencies are involved in the study, and who the lead agency is.

Mr. **Peterson**. We are lead in that study, and we are doing analysis and research of materials documentation that has come out of Russia.

We are getting a fair amount of that. The Federal Radiological Emergency Response Program has 10 other agencies involved in it.

Mr. **Traxler**. Provide that for the record.

Mr. **Peterson**. Yes, sir.

[The information follows:]

Lessons Learned Report on Chernobyl-Type Accidents

The Nuclear Regulatory Commission (NRC) published NUREG 1251, "Implications of the Accident at Chernobyl for Safety Reguation of Commercial Nuclear

Power Plants in the United States", in April 1989. FEMA, as chair of the Federal Radiological Preparedness Coordinating Committee (FRPCC), coordinated among the member agencies, completion and final text of Chapter 4, Emergency Planning, of this document. The member agencies of the FRPCC as listed in 44 CFR 351 are: Department of Commerce (DOC); Department of Defense (DOD); Department of Energy (DOE); Department of Health and Human Services (HHS); Department of Interior (DOI); Federal Emergency Management Agency (FEMA); Department of Transportation (DOT); Environmental Protection Agency (EPA); Nuclear Regulatory Commission (NRC); and United States Department of Agricultrue (USDA).

FEMA is continuing its efforts in this area. This effort focuses on four aspects of emergency planning: size of the emergency planning zones (EPZs), including review of EPZs based on source term research; medical services; ingestion pathway measures; and decontamination and relocation.

Consistent with these important areas, FEMA has an ongoing literature search with regard to:

Research on large-scale environmental decontamination including development of the technology of decontamination, and long term relocation;

Examining and following up on future research needs in connection with developing implementation capabilities associated with the two International Atomic Energy Agency conventions on early notification of radiological incidents, and mutual assistance;

Developing a database on hospitals with radiology departments and capability for handling immunosuppressed patients; and

Determination of pertinent ingestion pathway measures.

HUGO EXPENSES IN VIRGIN ISLANDS

Mr. TRAXLER. We are overstressed now. Mr. Lewis, did you have a question?

Mr. LEWIS. Mr. Chairman, we zipped right past Hugo pretty fast, and I did have a couple of questions.

Mr. TRAXLER. You want to talk about Hugo?

Mr. LEWIS. Could we just for a moment?

Mr. TRAXLER. We didn't zip past it, but we will go back to it.

Mr. LEWIS. I thought you did pretty well.

Mr. TRAXLER. It's a reoccurring topic, Jerry.

Mr. LEWIS. I see. If I may, it seemed to be appropriate. Just following Hugo, my colleague, Larry Coughlin convinced me to take a quick trip down to the islands to get a feel for the problems that we should pay attention to.

We were particularly concerned with the Virgin Islands and that which we saw as a response in Mr. Peterson's letter was a bit disconcerting.

Can you provide us with a breakdown of the total amount of aid rendered directly to the governmental authorities in the Virgin Islands?

Mr. PETERSON. Yes, sir, I can.

Mr. LEWIS. We would like to know how that compares to your estimate of the dollar value that was not directly supplied to local authorities. Mr. Peterson's letter indicates that in addition to the audits being prepared by officials in the Virgin Islands, FEMA would, quote, "to the extent necessary, prepare its own audits."

Have you reached a judgment as to whether FEMA needs to conduct its own audits, and what is your assessment of the local governments implementation of Federal assistance programs in this case?

Do we have some discussion of your reactions to your agency's experience in the Virgin Islands?

Mr. **Peterson**. Yes, sir. You can get in trouble by saying the Virgin Islands was the worst disaster that we saw, because if you were in South Carolina, you may feel that you were in pretty bad shape as well.

But the Virgin Islands was absolutely devastated. There is just no question about it. They received a tremendous blow. They are a small population community. They have 150,000 people there.

So their financial resources are limited, as is the size of their government.

Just to give an example under temporary housing, and this is as of March 16, in the Virgin Islands we have had 9,000 applications for temporary housing approved, and we have written almost 9,000 checks worth $27,000,000 to individuals, just for temporary housing.

In addition to that, under the Individual and Family Grant Program, we have had 16,000 inspections to date, nearly 13,000 checks written to individuals for $46 million.

So when you look at 150,000 people in total population and you find that you are looking at 20 to 30,000 people who have received checks, that is a very high percentage.

Additionally, their infrastructure was just devastated. All of their communications, whether they were commercial or private or public, were destroyed. All of their utilities were destroyed. And they were in extremely dire straights.

We have found that the government has done everything possible to respond to their needs; but they, themselves, became a victim.

Mr. **Lewis**. By the government, you mean the Federal Government?

Mr. **Peterson**. The government of the Virgin Islands; I am sorry. They, themselves, truly became victims of this tremendous hurricane, and we have been giving supplemental support at their request, such as establishing Administrative processes for them to implement the programs, and to aid them in audits at times to ensure that expenditures are appropriately being made.

We are doing audits, Congressman, not just in the Virgin Islands, but in all the disaster areas as part of what we feel is our responsibility to ensure that we are within the intent of Congress, and that the funds are appropriately being spent.

Mr. **Lewis**. Well, I was especially interested in response and concerned about audits that might be needed in the Virgin Islands. Have you found that auditing process to be necessary?

Do you need additional help? Have you found any problems as a result of those audits?

Mr. **Peterson**. Can I just take a minute to consult with my staff on that?

[The information follows:]

DISASTER-RELATED AUDITS

We do believe audits are necessary and we are currently performing audit work in the Virgin Islands. To date, we have completed an audit of a contractor doing Hurricane Hugo related business with the Virgin Islands government. We found problems with documentation in support of costs. We expect to complete the remaining audit work and finalize our audit findings in July 1990.

Mr. Lewis. Have we done our own audits as well?

Mr. Peterson. The first thing I did was to send a letter to my own IG saying I want you to be pro-active in all of these disasters, and I would like you to become involved immediately.

And perhaps my IG can respond to that as well as I could at this point in time, sir.

Mr. Barard. Mr. Congressman, as a result of that request, we immediately dispatched a team of auditors to both Puerto Rico and to the Virgin Islands. One of the concerns we had, based upon past history, we have encountered or noted some problems with accountability of Federal funds in the two island governments.

So we set up with three objectives in mind, and we are still auditing at this time.

One objective was to evaluate the adequacy of the guidance that FEMA provided to the Virgin Islands and to Puerto Rico.

A second objective was to evaluate the internal controls that were in place in the government of the Virgin Islands and in Puerto Rico to account for the FEMA monies.

And we also set out to evaluate, based on limited testing, the effectiveness of how FEMA was delivering these programs to the two island governments.

Mr. Lewis. Mr. Chairman, I might mention that both Congressman Coughlin and myself were very impressed by what we saw there, especially the need for support of the people of the Virgin Islands.

We both had some concern about whether we shouldn't have some serious independent auditing processes, just because of the impressions that were left upon us in a very brief stay.

I have additional questions for the record that you may respond to. I think Larry may very well too in this subject area, as well.

I would appreciate it if, as you do respond to those questions, you could bring them to my personal attention.

Mr. Peterson. We will do that, Congressman.

[The information follows:]

Congressman Jerry Lewis

FEMA AS EARTHQUAKE LEAD AGENCY

QUESTION: Last year at Mr. Green's request (p.66 Hearings), you provided a breakout of federal funding by agency under the National Earthquake Hazard Reduction Program (NEHRP). That information would seem to indicate that between 1988-1990, FEMA anticipated receiving about 8.9% of the funding under NEHRP.

I ask you now, not as representatives of an Agency which could always use more money, but rather as the lead Agency in the Federal Earthquake Planning, is there something fundamentally wrong with our Federal earthquake spending priorities when the Agencies which research the causes and consequences get 90% of the funding and the Agency which actually responds to the disaster only gets a tenth of that amount?

ANSWER: There is no question that we need to expend more energy on implementing the mechanisms and techniques that have been developed under the National Earthquake Hazards Reduction Program (NEHRP). FEMA is not alone in this evaluation. The Expert Review Committee, a non-Federal group that examined the NEHRP, recommended increased funding for the NEHRP across the board. But the overall balance that their report reflects is about 50 - 50 between research and implementation. The report specifically states that:

> **Although significant progress has been achieved, greater emphasis must be placed on implementation if the goals of the Act are to be realized within the next decade**

In its Lead Agency role and under its responsibilities to recommend goals and priorities in the NEHRP, FEMA will continue to sustain as a primary issue the balance between research and implementation. Meaningful consideration of it will occur in our efforts to develop a coordinated NEHRP budget amongst the Principal Agencies for Fiscal Year 1992, and in preparing the next revision the NEHRP's five year program plan.

EMERGENCY RESPONSE PLANNING -- EARTHQUAKES

QUESTION: I was pleased to see that FEMA, for the first time in about three years, is able to propose a substantial (+47.2%) increase in proposed FY '91 funding for Earthquake Hazard Reduction (FY 91=$13.4m). I note on p. EM-96 of your budget justification, your specific plans for allocating these funds. Local officials in Santa Cruz County have identified several holes in the coordinated emergency response planning efforts which are now evident in the aftermath of the Loma Prieta experience.

One of the deficiencies was the failure to anticipate the need for bypassing the normal phone system in order to ascertain the availability of water from the small municipal water companies. Another was the availability of long-term mobile housing for low-income families and the County's homeless population.

Were you aware of these problems as identified by California's county officials?

ANSWER: FEMA's primary role in a Presidentially declared disaster is to supplement State and local response and/or recovery operations. Once a declaration is made, a Federal Coordinating Officer is appointed to assess the types of assistance most urgently needed and coordinate Federal and voluntary relief organization activities to ensure maximum effectiveness. The Federal Coordinating Officer's primary point of contact is a State Coordinating Officer, who is appointed by the governor and is responsible for determining local needs and establishing priorities. Any request for Federal assistance must be channeled through the State Coordinating Officer. As a result, problems identified at the local level may never be elevated to the Federal Government, particularly if the situation can be handled by the State.

The kinds of recovery problems you have alluded to were recognized after the Whittier, California earthquake of October 1987. Guidelines for post-earthquake recovery were undertaken in the City of Los Angeles, and the California Office of Emergency Services has been able to cooperate with the City in their development. The draft guidelines were in fact calibrated by the Loma Prieta experience. FEMA plans to examine the final guidelines upon receipt for applicability nationwide. Recovery planning for post-earthquake problems has always been an allowable expense under our financial assistance to States. We expect the guidelines to provide valuable technical assistance in this area resulting in more effective and focused recovery planning.

QUESTION: Can you address them in your efforts to provide creative approaches to mitigation in your State and local hazard reduction grants program?

ANSWER: Under its State and Local Warning and Communications Systems Program, FEMA provides funds on a 50-50 matching basis for the development of emergency warning and communications capabilities. County officials may want to check with the California Office of Emergency Services to explore the availability of such funds to acquire emergency communications systems. In any event, counties need to address in their planning efforts alternative or backup communications systems that can be used in an emergency (cellular phones, radio, etc.). Also procedures could be established where critical facilities, such as municipal water companies, have the responsibility of reporting to an Emergency Operations Center on their status in the event of a major disaster such as an earthquake. If such contact cannot be made, these facilities may need to take various emergency measures to protect their resources.

With respect to the availability of water, the current "Plan for Federal Response to a Catastrophic Earthquake" does not adequately address water issues. FEMA is working with the U.S. Army Corps of Engineers and other Federal agencies to determine the best way to deal with water issues as part of major revisions being made to the Plan during FY 1990.

In the area of long-term mobile housing for low-income families, FEMA uses mobile homes to provide disaster housing when expedient home repairs or vacant rental resources are not responsive to the needs of the victims. Home repairs are currently limited to people who own their homes; most of the low-income people in the Watsonville area were pre-disaster renters. There was a shortage of rental resources in this area which caused us to use mobile homes. The problems of those who were homeless is a little different. People who were literally without housing or shelter when the earthquake hit do not have a disaster-related need for housing or shelter. FEMA is assisting all other victims through its housing program or through funding local government shelter activities. The long-term problem of chronic lack of affordable housing is not a suitable area for application of disaster authorities.

CAJON PASS LIFELINE STUDY

QUESTION: Last year, the Chairman and members of this Subcommittee were kind enough to look favorably upon my request to allocate funds for a study of lifeline systems in the Cajon Pass. Am I accurate in my understanding the FEMA released a Request for Proposals (RFP) in mid-February?

ANSWER: The RFP was released on February 22, 1990.

QUESTION: Can you give us a preliminary assessment on the level of contractor interest and a timetable for the completion of these important earthquake-related studies?

ANSWER:

- The RFP responses were received on 3/30/90.
- The FEMA Evaluation Panel on the RFP's will convene in April 1990.
- A contract award is expected in May 1990. with a contract period of 12 months.

LOSS OF COMMUNICATIONS FROM HUGO

Mr. **Traxler**. Let's just dwell for a moment on the issue of Hugo and Saint Thomas.

Mr. Peterson, I am going to go back to what you called the level of defense in peacetime or what I refer to as how many fire men in the fire house.

Clearly the loss of virtually all communications on the islands was an unprecedented event, which the agency had never experienced before.

Usually in the case of a disaster, there are some preferable communications that are available or perhaps even some military or Civil Defense unit type communications that the state might have.

Mr. **Peterson**. That is correct.

Mr. **Traxler**. They can be rapidly moved in. But apparently in this case, there were no local portable communication units or independence communication units that were available.

Mr. **Peterson**. That is correct. Saint Croix, Saint Thomas and Saint John virtually lost all communications for a very extended period of time. There was only one high frequency radio, I believe, on the back of a National Guard truck that even gave us any indication that we could get an airplane in there, but it was weak and intermittent.

Only because of the capabilities FEMA has, were we able to pick that signal up.

The primary communications for the first over two weeks in Saint Croix were delivered by FEMA as emergency communications equipment that we flew in on a C-141 well before we were able to get communications with the Governor for our request.

So we literally established communications on that island initially, and we found that our resources were limited 1,500 miles off the coast of the mainland.

Once we got there, additionally, we found that we were somewhat the victims of the storm because we did not have the kind of equipment to take care of our own people when they got there to the extent necessary.

SATISFYING NEEDS OF DISASTER PERSONNEL

Mr. **Traxler**. Would that include housing?

Mr. **Peterson**. Housing, food, water, communications, sleeping accommodations, across the board.

We consistently rely upon local governments to provide that for us when we arrive, and in this case, and indeed in the case of South Carolina, for a number of days, we just did not have those capabilities.

Mr. **Traxler**. Well, what should we do by way of resolving that issue?

Mr. **Peterson**. I believe it's imperative, as an administrator who made the decision to send 18 of our people 1,500 miles off the coast into an unknown environment, that I have to reflect very seriously on what I did.

If we are to be first responders, which I think we must be in a case where there are no communications, we don't know what is going on, and we cannot get a hold of the Governor, we cannot just say well, let's wait until the Governor calls because there are people in trouble.

So we have to respond. First, I think we need to look at the legislation so that we have clear authority to move quickly. I would ask Congress to consider that.

Secondly, we need some capability to respond quickly to support ourselves for the purpose of getting our teams on the ground so we know what to ask for.

We have very qualified people who when they get on the ground can determine what is needed. They do that 22 times a year. But when I send them in, I need to see that their security is in place so that they can function in the role that they are trained to function in.

We have within our organization in the Civil Defense arena 388 people, and yet they are not really linked into this disaster response.

I think we don't need a lot more people because we can cross train and integrate that better than we have in the past.

I think the law allows that already. But some basic capability in vehicles, support equipment, sanitary equipment, food, water, and those kinds of things that would be flown in with our people in support of our people for a seven- to ten-day period, I believe, is imperative.

We ran into the same problem in Samoa just a month and a half or two months ago where Samoa got hit by a typhoon, and we couldn't get any communications for several days. So we had a very difficult time trying to figure out how to respond.

EQUIPMENT TO SUPPORT EARLY DISASTER STAFF

Mr. **Traxler**. Would you provide the committee, and you may need a little time on this, but provide the committee with, by letter or if you can do it for the record, that is fine, but if you need time, please do, the types of equipment that you would deem necessary to support that early staff.

Mr. **Peterson**. Yes, sir.

Mr. **Traxler**. Those items, and to the best of your knowledge, their approximate cost.

I don't know what our budget situation is going to be, but maybe we can make an orderly approach towards this. If you could either prioritize that list for us, so that if we can make a start in this budget year, and then continue for a few years, that would be very helpful to us, in the event our 302B allocation precludes us from doing it all in one year.

But, of course, that will depend to an extent on how extensive your list is and the total cost. So if you could help us in that regard, I think the point that you are making is well taken, and we are concerned about the safety of your personnel.

We want them to be effective, and it seems to me that we hope they never need this kind of equipment. Once again, it may be a piece of equipment that sits in the fire house or never leaves the military base, and that makes us all happy.

[The information follows:]

Equipment To Support Early Disaster Response Teams

Our internal study on equipment to support disaster response teams is ongoing. When completed, the agency will submit to the committee, by letter, a complete summary on the types of equipment required and the estimated cost.

Mr. **Lewis**. Mr. Chairman, I would like to take another moment.

Mr. **Traxler**. Sure.

Mr. **Lewis**. In days past when I had the occasion to deal with FEMA as an agency when the flooding was taking place around Colorado River, it did not seem that such assistance was not quickly rendered.

I must say that, in terms of our experience with Hugo, FEMA personnel were doing a very fine job in terms of responding to a critical circumstance.

I am recalling, also off the top, the name, General Kelly, of the military, who was fabulous, with the Army Corps of Engineers?

Mr. **Peterson**. Yes, sir.

Mr. **Lewis**. It was fabulous work on our behalf and the people who were affected there. I would hope that you might think about a special briefing when you have gone far enough with these audits so that Larry and I and you, Mr. Chairman, or your staff, could sit down and discuss, maybe not in such a public forum, some of that which FEMA has experienced.

It might be very instructive.

Mr. **Peterson**. We appreciate the opportunity, and we feel it's something we have not done enough.

HOSPITAL ROOF COLLAPSE ON ST. CROIX

Mr. **Green**. Since we are back on Hugo, I would like to ask you about one problem, and that is the problem of something that is far from first rate before the disaster.

It's that hospital on Saint Croix where they had the report that the roof was about to fall in, and the storm came and the roof fell in.

What can you give me about that instance and the general problem?

Mr. **Peterson**. You are correct, and we did have to fly in a complete hospital capability with over 120 people to man it 24 hours a day.

We knew that was going to be a dicey issue, because there obviously were maintenance problems prior to arrival of Hugo. There was also a very strong need.

I am going to turn to my staff and ask—I know there is a complete analysis going on on that hospital alone; I do not know exactly where we are in it.

Mr. **Chappell**. There is a complete analysis going on to determine what are the basic needs and what kinds of infrastructure the island can support.

It's a very serious issue because of lack of medical personnel, as well as medical facilities. But there will be a resolution hopefully very quickly working with the territorial government.

Mr. **Green**. In addition, there is a problem to the extent to which something is badly shot already, are we fixing it up brand new, and——

Mr. **Peterson**. Well, there is considerable debate about the proper level of support. And we are looking at the pre-disaster condition, and also what can be supported once constructed.

Mr. **Green**. Thank you.

Mr. **Lewis**. Thank you, Mr. Chairman.

WORKLOAD FROM E.O. 12627

Mr. **Traxler**. Turning to budget on Page SE–28, there could be a significant increase in staff-intensive workload, if and when requests are received under Executive Order 12657 for the development in exercising of emergency response plans around commercial nuclear power plants whenever state or local governments decline or fail to prepare such plans.

How would you meet such a workload if it arose?

Mr. **Peterson**. If that decline or failed circumstance arose, we would be looking at the budget as it's presently available under the Radiological Emergency Preparedness Program.

If I may offer a little opinion here, we do not see anything on the horizon at this point in time that we believe will trigger 12657.

The regulations were written and published on September the 1st. With the litigation on the realism argument being upheld that will take considerable burden off of that Executive Order requirement, sir, in our view.

Mr. **Traxler**. Would you have the capability to fulfill that Executive Order?

Mr. **Peterson**. I believe we would, sir. We may have to ask for additional resources, but we could certainly get going into it without any problem.

SARA TITLE III ACTIVITIES IN HAZARDOUS MATERIALS

Mr. **Traxler**. FEMA is requesting $591,000 for the Hazardous Materials Program 1991, which is an increase of $300,000 above the 1990 level.

You tell us on Page EM–120 that you anticipate that funding at the 1991 level will be needed at least for the next five years to carry out the responsibilities under SARA Title III?

Briefly, what are those responsibilities?

Mr. **Peterson**. Under SARA Title III, we are providing technological assistance to the states and local governments for guidance in their hazardous materials program.

Any further detail in that area I would have to provide you for the record, sir, unless Mr. McLouglin, do you have any insight on that?

Mr. **McLoughlin**. I have nothing to add.

Mr. **Peterson**. About $100,000 of that is provided directly through contracts from FEMA to provide guidance and technological assistance to the state and local governments.

Much of that is inventorying their hazards.

VALUE OF HAZARDOUS MATERIALS REPORTS

Mr. **Green**. Do you have any feel that this vast outpouring of reports that was referred to a little bit earlier in the day, on that vast outpouring of reports which I guess was originally estimated and costs something like half a billion dollars for the initial report and $300,000,000 a year burden on industry to keep up with reports.

Is that being used by anyone? Is it useful? Is it worth $300,000,000 a year?

Mr. **Peterson**. It definitely is being used. It's being inventoried, categorized as to where hazardous materials are.

The fire community, I know, is using it in identifying where risks are so that when they have to ingress in a building, that they know what they are walking into.

So there is validity in the process. It's a horrendous task that has been levied upon the state and local governments. I say that respectfully, but it's a horrendous task.

SARA TITLE III TRAINING

Mr. **Green**. How are the responsibilities for the Title III being coordinated with your training and fire programs in designing the courses?

Mr. **McNeill**. I think I will let Mr. McLoughlin and Mr. Peterson share that.

Mr. **McLoughlin**. Of the 3.84 million that came with the Title III appropriation last year, $3,000,000 has gone to the states.

The primary course activity is out in the field. About $300,000 is being used for printing to support the field courses.

We retained about $150,000 for supporting the Indian programs.

Most of the courses that are being taught in the field were developed by EPA, the National Fire Academy, the Emergency Management Institute, or the Department of Transportation.

NATIONAL DISASTER MEDICAL SYSTEM

Mr. **Green**. For mobilization preparedness activity, FEMA is requesting $2,231,000, an increase of $35,000 above the 1990 level.

One of the activities underway for fiscal year 1990 in this program now is an interagency effort to develop and expand the National Disaster Medical System to respond to large-scale emergencies and provide care for the resulting casualties.

What other agencies are involved in the NDMS?

Mr. **McNeill**. Let me ask Mr. Lopez to answer that, sir.

Mr. **Lopez**. The other agencies, sir, are HHS, the Veterans Department, which has one of the largest medical systems in this country, and the Department of Defense, which also has extensive medical capability.

Mr. **Green**. [presiding]. What has been accomplished through this effort, and is the system set up to handle both peacetime as well as national security emergencies?

Mr. **Lopez**. Yes, sir, it's set up for both. As a matter of fact, the NDMS system was actually activated in the RESPONSE 1989 exercise out in the San Francisco area, in Sacramento.

There was a field hospital—a MASH hospital, if you will—that was used for this exercise.

The NDMS system also responded to Hurricane Hugo in Saint Croix to replace the hospital that was destroyed.

Mr. **Green**. Was it used following the actual earthquake in California?

Mr. **Lopez**. Grant, I think you ought to handle that.

Mr. **Peterson**. Everyone stood up very quickly to see if they needed the NDMS. There was excellent coordination between the state of California and the NDMS operation, and it was found that they were not needed to respond, that the state had it under control.

REDUCTION IN NFA RESIDENT PROGRAMS

Mr. **Green**. Let's turn to the National Fire Academy; FEMA is requesting $7,230,000 for fiscal year 1991, an increase of $38,000 above the 1990 level.

For the resident programs, however, FEMA is proposing a decrease of $128,000 and 5 workyears. Why has the funding and number of workyears for this program been reduced?

Mr. **McNeill**. Mr. McLoughlin.

Mr. **McLoughlin**. That is an adjustment between what we plan to do in the resident program and what we plan to do in course development, Mr. Green.

You asked a second part of that for a reduction of 5 in the work years? Was that your question?

Mr. **Green**. Yes, $128,000 and 5 workyears.

Mr. **McLoughlin**. Five workyear reduction in the National Fire Academy. That is for the adjustment that I had just talked about. We are transferring some of our people from resident programs to course development work.

STUDENT TRAINING

Mr. **Green**. For the record, if you could update the table on student training that appears on Page 70 of last year's hearing.

[The information follows:]

NATIONAL EMERGENCY TRAINING CENTER ON-CAMPUS STUDENT ACTIVITY

	1987	1988	1989	1990	1991
STUDENTS					
Emergency Management Institute [EMI]	3,409	4,073	3,460	3,683	3,683
National Fire Academy [NFA]:					
Resident programs	4,164	4,011	4,055	4,000	3,500
Weekend programs	3,028	3,930	4,202	3,600	3,750
Train-the-trainer	179	186	185	200	200
Adjunct faculty	1	79	68	40	70
TRADE conference	157	21	— 172	19—	190
Total NFA	7,529	8,227	8,682	7,859	7,710
Total Center	10,938	12,300	12,142	11,542	11,393
STUDENT DAYS					
Emergency Management Institute [EMI]	16,988	18,552	16,768	17,642	17,642
National Fire Academy [NFA]:					
Resident programs	47,791	44,120	37,948	40,000	35,000
Weekend programs	6,056	8,421	8,404	7,200	7,500
Train-the-trainer	895	930	1,110	1,000	1,000

NATIONAL EMERGENCY TRAINING CENTER ON-CAMPUS STUDENT ACTIVITY—Continued

	1987	1988	1989	1990	1991
Adjunct faculty	2	237	541	120	210
TRADE Conference	785	105	688	95	950
Total NFA	55,529	53,813	48,691	48,415	44,660
Total Center	72,517	72,365	65,459	66,057	62,302

REDUCTION IN COURSES AT FIRE ACADEMY

Mr. GREEN. In fiscal year 1990, the number of direct deliveries of Academy-developed courses sponsored by the state fire training systems will be 300 and reach about 9,000 students.

Due to a reduced request in fiscal year 1991, FEMA estimates that 200 courses will be conducted, reaching about 6,000 fire and rescue personnel.

Did that proposed reduction come from FEMA, or was it an OMB proposal?

Mr. MCLOUGHLIN. It came from FEMA.

Mr. GREEN. Won't the reduction adversely affect local fire and rescue personnel?

Mr. MCLOUGHLIN. Yes, it will. With a constant budget, our problem is to balance how much money should go into the delivery of certain program elements—field and resident.

That was our best judgment at this point, and it will require some reductions.

FIRST RESPONDER TRAINING

Mr. GREEN. In the 1990 conference report, the conferees agreed that $140,000 was to be used for hazardous materials first responder training. Why are these funds being used in the Training Field Deployment Systems activity, and what is specifically being done with these functions?

Mr. MCLOUGHLIN. The funds are being used to develop courses. We are developing two courses with those funds.

INCREASES FOR FIRE PROTECTION

Mr. GREEN. Turn to the U.S. Fire Administration, You are requesting $5,786,000 for fiscal year 1991, an increase of $1,070,000 above 1990 appropriation.

The fire prevention and arson control program element request is $358,000 above the 1990 level to expand existing arson initiatives, especially for community-based anti-arson and juvenile firesetter projects.

What do these initiatives involve, and why have you chosen to expand those particular projects?

Mr. MCNEILL. I will ask Mr. Wall to answer that.

Mr. WALL. Annually we have been experiencing about 15 percent of the reported fires in the United States as arson. We found that the concentration focus is between the two extremes—rural population and urban population.

A lot of those arson fires are being set not only by juvenile firesetters, but also by another phenomenon we have encountered, something called the curious child.

We feel that a child doesn't start a fire because of criminal intent, but rather by playing with matches, playing with lighters, what have you.

We would like to expand our effort in that particular area to try to get a handle on the priority and see if there could be some major change.

It goes well beyond the child. It goes to adults. It goes to our good friends.

The other day, reading a trade publication, I noted that it's a wonderful corporate genius has come up with a cigarette lighter, a butane lighter, that was designed to look exactly like an audio cassette. Those things are constantly coming up.

We find a concentration of burn deaths, both from arson and accidental fires on the juvenile side and on people over 65.

So we would like to expand our efforts in that area to try to bring those numbers down.

Mr. **Green**. When you find products like that, do you refer them to the Consumer Product Safety Commission?

Mr. **Wall**. We have a very good rapport with the Consumer Product Safety Commission, yes. We immediately call them. In fact, if we find that it's a consistent thing from phone calls to the State Fire Marshals, we would normally put out a special interest bulletin to all state fire marshals calling their attention to it.

It seems to be sporadic. Unfortunately, it happens to be occuring in New Jersey and New York, Mr. Green.

FIREFIGHTER HEALTH AND SAFETY

Mr. **Green**. I guess the reason we are asking about this is in the past, you seemed to want to cut back this area. I guess we are pleased to see it expanding.

Mr. **Wall**. The other part that we are going to be looking at is firefighter health and safety. Of that million dollar increase $695,000 is going to go to firefighter health and safety.

Again we are concentrating on a search to try to make the fire fighters protection against his own environment safer. We are looking at it not only from the point of view of better clothing for protection against hazardous materials but also for urban search and rescue. Just review in your mind what the earthquake situation was—most of the people up on the bridge picking people out and wearing those strange little helmets are called fire fighters.

That ensemble that they are wearing, for that kind of urban search and rescue doesn't cut it. So we want to do some work in that area.

And, of course, we have the ongoing problem with infectious diseases.

FIRE DATA AND ANALYSIS

Mr. **Green**. Which we covered earlier.

According to the budget justification under the Fire Data and Analysis Activity, FEMA is currently developing pertinent issues and topics of emergency management services in cooperation with the American College of Emergency Physicians.

What types of issues or topics have been developed thus far?

Mr. **Wall**. We are working very closely with the emergency room doctors in trying to get a handle on the problem of management systems within the EMS community.

As I said earlier today, 80 to 85 percent of the ambulance service in the United States is delivered through fire service people. In fact, at some fire departments, a full 70 percent of the work load is in ambulance service, and we are experiencing burn out of personnel who are on ambulances running five to 6,000 times a year.

So we are looking at that. And emergency room doctors seem to be a particularly good source, because they have that liaison with the fire service deliverer, and yet they are working with the hospitals who usually control the volume of activity that is going on.

Mr. **Green**. How do you see the information as being used?

Mr. **Wall**. Again, through our peer groups. We go out and do the development with the emergency room doctors, and then we bring together practitioners and discuss it with them to see whether it is really practical research we are getting into.

I cannot support research that doesn't make that little step to something you can use.

FIRE ADMINISTRATION COORDINATION ON SEARCH AND RESCUE

Mr. **Green**. In the 1990 conference report, the conferees agreed to allocate one FTE for coordination between the U.S. Fire Administration and the Earthquake Program in its development of a national data base for heavy urban search and rescue capability.

Has there been this coordination between the two programs?

Mr. **Wall**. I can say very confidently and very happily that if there are two groups within FEMA who cooperate and work their programs together very closely, that is State and Local Programs and the Fire Administration.

Mr. **Green**. What has the Fire Administration's role been in the development of this data base?

Mr. **Wall**. Well, we are currently recruiting for a person who has a good background in national data base. And when this person comes on board, he/she will be working very closely with Mr. Peterson's people in developing that data base.

We have the network of contacts with state fire marshals and fire departments that makes it fairly easy for us to get that sort of information.

Mr. **Green**. When do you anticipate having that person on board?

Mr. **Wall**. The recruitment notice expires on the 30th of March. We will hire as quickly as I can clear someone from the list.

FOOD AND SHELTER PROGRAMS

Mr. **Green**. Turn to the Emergency Food and Shelter Program. For fiscal year 1991, FEMA is requesting $124,991,000 and six workyears. This is a decrease of $5,101,000 below the 1990 level, and $9,009,000 below last year's budget request.

Please provide for the record a table of the characteristics of the Emergency Food and Shelter Program and each state's allocation, similar to the table on Pages 21 to 24 of last year's hearing record.

Mr. McNeill. We will do that.

[The information follows:]

Emergency Food & Shelter National Board Program

Program Characteristics

	PHASE I	PHASE II	PHASE III	PHASE IV	PHASE V	PHASE VI	PHASE VII	PHASE VIII
Public Law Number	PL 98-8	PL 98-151 PL 98-181	PL 98-396	PL 99-88 PL 99-160	PL 99-500 PL 100-6	PL 100-71 PL 100-120	PL 100-104 PL 101-45	PL 101-100
Allocation	$50 million	$40 million	$70 million	$90 million	$115 million	$123,929 million	$126 million	$130.1 million
Civil Jurisdictions Funded	961	839	1341	1800	2000	2000+	2260	3810
Total Agencies Funded	3460	3627	6003	6968	8200	8200+	9499	9313
Additional Meals Provided	51 million	33.7 million	60 million	88 million	80.2 million	121 million	------	------
Per Capita Meals	$.70	$.75	$.71	$.52	$.71	$.75	$.82	$.51
Additional Nights' Lodging Provided	6.9 million	6.3 million	18 million	30.9 million	39.3 million	42.5 million	------	------
Per Capita Shelter	$3.15	$2.17	$2.24	$1.49	$2.24	$2.25	------	------

* Phase VII figures are based on estimates and are changing as final reports are audited.
** Phase VII per capita meals/nights lodging are reported in a different manner from previous phases.
*** Phase VIII figures are projections based on results from previous programs.

STATES ALLOCATIONS
PHASES I - VIII

State	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase VI	Phase VII	Phase VIII
Alabama	$1,708,418.16	$1,069,399.46	$1,957,661.00	$2,302,184.00	$2,345,060.00	$2,933,277.00	$2,478,256.00	$2,924,970.00
Alaska	68,860.31	100,000.00	133,167.00	159,500.00	272,838.00	333,636.00	409,689.00	316,597.00
Arizona	1,017,251.50	748,445.43	911,187.00	1,155,539.84	1,503,358.00	1,920,908.00	1,864,706.00	2,198,740.00
Arkansas	137,060.72	106,593.92	646,548.00	797,178.42	1,175,002.00	1,331,689.00	1,393,455.00	1,596,657.00
California	8,442,953.18	6,238,135.08	8,875,996.00	12,036,169.82	13,534,312.00	14,168,024.00	14,438,227.00	15,785,346.00
Colorado	113,692.50	88,492.41	338,271.00	574,624.40	1,340,476.00	1,855,701.00	2,036,437.00	1,946,569.00
Connecticut	192,316.20	100,000.00	589,453.00	883,698.70	995,024.00	929,537.00	905,367.00	1,078,833.00
Delaware	No funds	100,000.00	198,598.00	254,351.50	284,077.00	270,000.00	272,932.00	260,000.00
Dist. of Columbia	277,633.19	196,686.98	337,926.00	392,426.10	373,117.00	412,104.00	375,680.00	390,418.00
Florida	1,145,429.26	1,133,423.35	2,943,178.00	4,229,329.50	4,536,008.00	5,211,604.00	5,723,930.00	7,095,921.00
Georgia	354,950.59	240,126.82	1,010,625.00	1,373,891.00	2,074,664.00	2,347,840.00	2,760,944.00	3,139,543.00
Hawaii	No funds	100,000.00	125,000.00	160,000.00	249,998.00	270,000.00	256,454.00	262,412.00
Idaho	113,476.80	104,953.59	149,137.00	201,291.58	390,908.00	528,655.00	456,576.00	376,210.00
Illinois	4,312,001.36	3,363,394.16	4,575,732.00	5,712,610.87	7,257,150.00	6,953,297.00	7,133,460.00	7,336,689.00
Indiana	1,627,191.40	844,328.13	1,368,113.00	1,820,830.90	2,323,271.00	2,378,785.00	2,370,024.00	2,336,730.00
Iowa	224,315.96	125,409.96	166,047.00	322,075.33	1,002,264.00	869,003.00	740,924.00	835,898.00
Kansas	No funds	97,166.22	123,625.00	160,000.00	323,610.00	678,458.00	627,663.00	785,879.00

STUDY ON EFFECTIVENESS OF FOOD AND SHELTER

Mr. **Green**. According to the budget justification, one of the activities for fiscal year 1990 is a survey and study on the EFS program's effectiveness which will be presented to OMB.

Has the study been completed and presented to OMB?

Mr. **Chappell**. No, it has not, sir. We expect to have it completed some time this summer. We are doing it in-house with some outside resources, but it's underway.

Mr. **Green**. Can you tell us anything of what you have learned so far, or is it too early?

Mr. **Chappell**. It's too early, sir.

CURRENT SITUATION IN EARTHQUAKE AREA

Mr. **Green**. Let's turn to disaster relief. Last fall California experienced an earthquake measuring 6.9 on the Richter scale, the Loma Prieta earthquake in California.

FEMA took the lead, along with state and local agencies, in assisting the immediate and long-term recovery from the disaster.

Could you give us an update on the current situation in the earthquake area?

Mr. **Peterson**. Specifically from the Loma Prieta earthquake, sir?

Mr. **Green**. Yes, please.

Mr. **Peterson**. From the Loma Prieta earthquake at this point in time, as of March the 16th, we have had 80,000 applicants who have come to FEMA for assistance.

Of those, we have written 14,091 checks under the temporary housing program for a total of $23,000,000.

Under the Individual and Family Grant Program, we have written 21,381 checks to individuals amounting to $27,641,000. We have referred 60,000 individuals to SBA for their interview and review for loan processes.

We have literally tens of thousands of disaster survey reports ongoing in California. We are finding it to be one of the most complex and difficult investigations on structures because with earthquakes, sometimes you almost have to take a wall off to see the extent of the damage.

So that will be ongoing for many years, Sir.

ESTIMATES FOR EARTHQUAKE AND HUGO

Mr. **Green**. In terms of the dollars, could you give a breakdown on how much you currently estimate spending for individual grant assistance and public assistance to the local jurisdictions due to the earthquake and Hugo?

Mr. **Peterson**. I can do that.

Under the Temporary Housing and Individual Family Grant Program, I just listed those for Loma Prieta. If I could give you an overall of the Virgin Islands, Puerto Rico, South Carolina, North Carolina, and California, I think it's interesting to note that for temporary housing, FEMA has written 151,915 checks totaling $190,467,000.

In the Individual and Family Grant Program for those five disasters, we have written a total of 202,573 checks, for a total of

$428,363,000. So we have $700,000,000 written to individuals out of the Treasury through the disaster fund.

Mr. GREEN. For the record, could you give us an estimate of how you think it will play out as you wind down, both the public assistance and the individual assistance?

Mr. PETERSON. Yes, sir.

[The information follows:]

COSTS FOR HURRICANE HUGO AND LOMA PRIETA EARTHQUAKE

Current estimates for FEMA costs for disaster recovery operations in conjunction with Hurricane Hugo and the Loma Prieta earthquake are as follows:

	Hurricane Hugo	Earthquake
Individual assistance	$896,809,000	$124,000,000
Public assistance	458,550,000	327,000,000
Hazard mitigation	23,600,000	4,240,000
Mission assignments	106,268,000	16,176,000
Administration costs	79,556,000	36,324,000
Total costs	1,564,783,000	507,740,000
Total estimated costs for Hurricane Hugo and Loma Prieta earthquake	2,072,523,000	

COMPLAINTS ON FEMA'S RESPONSIVENESS TO HUGO

Mr. GREEN. As we discussed earlier in the day, there was some complaint by the local governments as to FEMA's responsiveness in the Hugo situation and the difficulty of getting going and perhaps false expectations on the part of the local governments as to respective roles.

Would you care to comment on those complaints?

Mr. PETERSON. I think there was some validity in some areas as to the complaint, and we need to take a few of them specifically.

I do believe, though, that the agency responded admirably with the resources available, and one has to really go to the site to see the extent of the devastation. I do not believe that we, the nation, fully comprehended the extent of this devastation.

But we are looking internally and being pretty critical as I believe we should. We have a number of items that we are looking to to simplify our process for applications, a source of a lot of complaints.

I will give you just a few, if I might. We are going to try to simplify that registration form even more, even though it's only one page. The Teleregistration Program registered over 45,000 people by phone, and we found this to be a tremendous asset that gets up to speed very quickly but also caused problems in duplication.

We had as many as three and four people, not because of the Teleregistration Program in itself, but we did have in some instances one individual registering three and four times. This took considerable man hours to try to sort that out.

Our software needs to be upgraded to catch that quickly, and so we are doing an analysis on the software for our systems.

CURRENT UPDATE ON HUGO SITUATION

Mr. **Green**. Could you give us an update on the current situation involving Hugo?

Mr. **Peterson**. Yes, sir.

Mr. **Green**. Where you stand.

Mr. **Peterson**. Overall?

Mr. **Green**. Yes.

Mr. **Peterson**. We still have operational centers functioning in Saint Croix, Puerto Rico, South Carolina, and in California. We do not have any formal disaster application centers open; however, we just closed our last one in South Carolina on the 16th of March.

We were very surprised to see the depth and extent of the number of registrations for assistance, but over such a great period of time.

We believe that the Individual and Family Grant and the temporary housing issue is being handled very well at this point in time. The disaster survey reports and the public assistance side is going to be ongoing for a long time because of the depth of the fracturing of some of the infrastructure.

PROPOSALS TO IMPROVE RELATIONS AMONG DISASTER OFFICIALS

Mr. **Green**. On Page SE-54, you indicate that you plan to submit proposals to Congress to improve relationships among Federal, state and local disaster officials, based on the comments you have solicited.

Have those proposals been submitted to Congress, and if not, when did you anticipate you will submit them?

Mr. **Peterson**. We have not formally submitted them at this point in time. We would hope to be able to do it within this fiscal year, sir.

COSTS UNDER STAFFORD ACT

Mr. **Green**. According to a GAO report issued in May of 1989, the Individual and Family Grants program changes have expedited the process and have improved grant decision making but have reallocated certain costs from the states to FEMA.

Do you believe that the GAO findings are accurate?

Mr. **Peterson**. I believe they are, for the most part. We found, and were very proud of the way we could get our checks out so quickly in a normal disaster.

We have found that when we get three to 400,000 applicants, the system we have will not sustain that same time frame of delivery, and it did creep up considerably in some areas.

Mr. **Green**. Do you have any idea of how much the program changes cost FEMA?

Mr. **Peterson**. Under the Stafford Act?

Mr. **Green**. Yes, and particularly for the change in the process on the Individual Family Grants.

Mr. **Peterson**. I would have to do a little more detail analysis of that for the record. If the question is along the line of whether the Stafford Act is going to remain cost neutral as we initially thought, I don't think in this size of a disaster, that is going to be the case.

UNOBLIGATED BALANCE IN THE DISASTER RELIEF FUNDS

Mr. **Green**. Well, if you can tell us what is causing that, and roughly how much. The budget schedule indicates $205,000,000 unobligated in the Disaster Relief Fund at the end of fiscal year 1990. That estimate was obviously formulated several months ago.

Is that still a valid estimate for the unobligated balance available at the end of FY 1990?

Mr. **Peterson**. Let me see if I have got that.

Can I provide that for the record, sir?

Mr. **Green**. Sure. And if that's not still valid, what is your current estimate?

Mr. **Peterson**. Okay.

[The information follows:]

ESTIMATED DISASTER RELIEF FUND UNOBLIGATED BALANCE AT THE END OF FY 1990

Anticipated Obligating Authority FY 90	$2,446,000,000
Obligations as of 04-03-90	1,619,730,485
Unobligated Balance as of 04-03-90	$ 826,269,515
Anticipated obligations through 09-30-90 for currently existing and future disasters *	584,055,777
Estimated Unobligated Balance 09-30-90	$ 242,213,738

It is noted that obligations for the Hurricane Hugo and Loma Prieta earthquake are expected to continue into FY 1991.

*Includes funds allocated but not yet obligated for existing disasters and average obligation figure for a 6 month period.

COST IMPLICATIONS OF THE STAFFORD ACT

FEMA is unaware of any dramatic effects on the Disaster Relief Fund resulting from the enactment of the Stafford Act. However, the Agency will undertake an analysis of all those provisions of the Act which may have cost implications for the Fund. The provisions are:

- The increase in the maximum IFG program grant to $10,000.

- The change in the DUA benefit period.

- The cost sharing of mobile home group site costs.

- The change in Temporary Housing program eligibility from 12 to 18 months.

- The increase in reimbursable administrative expenses for the IFG program from 3 percent to 5 percent.

- The increase from $25,000 to $50,000 for Disaster Preparedness Improvement grants.

- The inclusion of administrative costs as allowable expenses under the Public Assistance program.

- The inclusion of fringe benefits as allowable expenses under the Public Assistance program.

- The funding of hazard mitigation grants.

- The expanded definition of private nonprofit organizations.

- The reduction in funding for failure to carry flood insurance.

The analysis will be provided upon completion.

INTEREST ON BORROWINGS FOR FLOOD INSURANCE

Mr. **Green**. Let's turn to National Flood Insurance Program. Because this fund is basically self-supporting, no appropriation is requested for fiscal year 1991. As in past years, however, FEMA proposes to transfer $11,078,000 to the S&E account for administrative expenses, and $45,023,000 to the Emergency Management Planning and Assistance Account for flood plain management activities, that money to come from the National Flood Insurance Program.

FEMA is requesting authority to make available up to $20,000,000 from the National Flood Insurance Fund for interest on Treasury borrowings without prior notice to the Committees on Appropriations, should greater than anticipated levels of flooding occur.

It's indicated that no interest expenses are projected for 1991. Last year, FEMA requested $3,500,000 to be available for interest on Treasury borrowings without prior notification of Congress. Why are you requesting such a large increase in the amount available to you for this purpose, and how did you arrive at the $20,000,000 figure?

Mr. **Duryee**. Mr. Chairman, we are not anticipating that that will be our cost. But in the event that we have to borrow money, we need the ability to pay the interest.

So we have asked for——

Mr. **Green**. I understand that, but I guess what we are interested in is why it's gone from the request last year of 3.5 million up to 20,000,000, which is a six-fold increase?

Mr. **Duryee**. It is a technical problem regarding how Treasury's accountants track our investments. If we try to invest our surplus in Treasury bonds which have already been issued, we are charged a premium which is counted as an expense until the bonds mature.

PURCHASE OF PROPERTY

Mr. **Green**. For fiscal year 1990, no funds were requested for the Purchase of Property program under Section 1362 because of the unusually low levels of flooding during the past several years. An unobligated balance of $2,720,000 was carried forward into the 1990.

You are now requesting $4,720,000 for fiscal year 1991. Why are you requesting such a large increase? Was there a higher than average amount of flooding during the past year?

Mr. **Duryee**. Yes. As a result of Hurricane Hugo, plus repetitive flooding in Louisiana and Texas, we had the highest loss year we have ever had in the history of the program in 1989, and we are asking that the level of funding for that program be restored to what it normally has been.

Mr. **Green**. What do you estimate will be the unobligated balance that will be carried forward in the 1991?

Mr. **Duryee**. There will be no balance carried forward. We will have exhausted the two-year funding, so we will need the full $4.8 million.

RULES FOR COMMUNITY RATING

Mr. **Green**. On Page EM-193, you state that in 1991 FEMA will implement the new community rating system. At last year's hearing, we were told that a field study would be completed during the summer and final rules would be in place by October 1, 1990.

Are you on schedule with the community rating system, and will the final rules be published by October 1?

Mr. **Duryee**. There is some doubt as to whether rulemaking will be necessary. We have the ability to set rates under the statute, and we are currently exploring with legal counsel whether any rulemaking will be necessary.

But we are on schedule. We anticipate having our regulations, rules, guidelines, everything in place by October 1, and we expect that the first applications will be taken and rate reductions available to communities which participate come next January.

Mr. **Green**. What has been the response of local jurisdiction to the rating system thus far?

Mr. **Duryee**. They appear to be very enthusiastic about it.

WRITE-YOUR-OWN EVALUATION

Mr. **Green**. According to the budget justification on Page FI-9, FEMA plans to utilize the results of Write-Your-Own Program evaluation to reduce the cost of the Write-Your-Own Program.

Has the evaluation been completed?

Mr. **Duryee**. The evaluation is not formally completed. We expect that it will be by the end of this fiscal year.

Mr. **Green**. Do you have any feel for the major findings from it?

Mr. **Duryee**. What we are learning is that with the companies we have on board now, we have the potential of using their marketing system to reaching some 80 percent of the available market in the special flood areas.

FIELD HEARING ON CRIME INSURANCE

Mr. **Green**. Let me wind up by turning to my favorite Federal insurance program, the Crime Insurance Program.

On July 31 of last year, a House Banking Subcommittee had a field hearing in New York on the issue of availability and affordability of crime insurance in New York City.

And I understand it had sought a FEMA presence there, and none was forthcoming.

Could you tell me why that was the case?

Mr. **Duryee**. My understanding from the chairman of the committee and from the acting chairman of the committee, was that a presence was not required.

Mr. **Green**. I see. Well, that was somewhat different from the impression they gave when we were there.

STATUS OF CRIME INSURANCE

Mr. **Green**. Where do we stand with the program? Does the Administration now understand the program is going to be there a while?

Mr. **Duryee**. We understand that it will be there, Congressman, at least another year. We have been authorized through fiscal year 1991.

We are currently losing $1.3 million a month, and we continue to feel that it's not a program with a national scope and that it should be discontinued and can be handled at the state level.

Mr. **Green**. Let me say I think the reason you are experiencing this kind of loss is that you have a relatively small policy base. But I suspect that if every year or every two years Prudential or Hartford or Aetna announced that they were about to go out of business that September 30, they would soon not have much of a policy base, either.

And since Congress has now for nine years kept the program alive in the face of Administration desires to kill it, isn't it about time to try to see if we couldn't put the program on a stable basis by building up the policy base through the same kind of effort you put into the Flood Insurance Program?

Mr. **Duryee**. In this particular case, Congressman, there is private insurance available. It's a question as to whether the Federal Government ought to be going to the same extent that we do on flood insurance by advertising the program.

We do make available monthly bulletins to agents who are the primary sellers of insurance, and we do provide training for those agents.

We have training courses going on this year, both in New York City and on Long Island so that more agents can become aware of the program and make it available to their clients.

Mr. **Green**. Well, I can only say that when I was HUD Regional Administrator in Region II, although the Crime Insurance Program was not under my jurisdiction, I still made a point of trying to bring it to the attention of the community leaders in the inner city areas because I thought the availability of crime insurance was important in terms of maintaining the stability, particularly of the business community in those areas.

I think perhaps the fact that that is the kind of effort that cannot produce policies has been reflected in the fact that New York, New Jersey, and Puerto Rico, are among your three biggest participants in the program.

And it just seems to me that given a nine-year history of Congress continuing the program, we ought to put the kind of effort into making it a break-even program that we put into the Flood Insurance Program, because I don't think those losses are really necessary if you put that kind of effort in it.

INTEREST OF CRIME DEBT

Mr. **Duryee**. Sir, if I could comment on that. The biggest loss we have is the interest we pay every year on the debt. That is now 73 percent of the annual loss that we have.

So if past borrowings were forgiven, or were repaid, it would be possible to reduce our deficit considerably on an annual basis.

Mr. **Green**. What would that cost?

Mr. **Duryee**. At the moment, it would cost something like $150,000,000. I could give you the exact figure.

State	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase VI	Phase VII	Phase VIII
Kentucky	664,013.80	415,540.41	1,225,017.00	1,329,707.61	2,145,358.00	2,205,914.00	2,243,814.00	2,103,779.00
Louisiana	631,389.36	888,023.85	1,795,080.00	2,794,540.80	3,681,174.00	4,382,794.00	4,136,362.00	4,199,872.00
Maine	16,747.22	99,999.51	348,553.00	353,410.40	406,535.00	421,933.00	424,615.00	408,495.00
Maryland	821,815.62	479,394.45	413,642.00	556,584.09	1,009,509.00	1,234,506.00	1,257,479.00	1,562,103.00
Massachusetts	498,174.41	448,809.91	1,392,497.00	1,444,237.00	1,659,716.00	1,801,321.00	1,639,507.00	2,303,891.00
Michigan	5,124,700.70	3,890,051.47	4,911,075.00	6,029,285.19	5,763,195.00	5,861,996.00	6,951,067.00	6,678,059.00
Minnesota	219,144.23	160,485.50	643,184.00	788,065.26	1,452,839.00	1,366,275.00	1,450,950.00	1,563,068.00
Mississippi	265,406.15	230,098.59	869,156.00	1,138,525.48	1,592,822.00	2,070,558.00	1,690,191.00	1,966,271.00
Missouri	946,949.93	651,839.09	1,402,835.00	1,063,899.65	1,574,663.00	1,970,853.00	2,149,870.00	2,356,123.00
Montana	64,003.84	96,532.30	125,000.00	156,417.36	264,956.00	346,782.00	347,222.00	370,738.00
Nebraska	19,272.43	99,264.49	123,000.00	1,750,595.00	444,120.00	453,376.00	436,522.00	388,927.00
Nevada	260,860.72	169,839.38	238,967.00	288,367.30	378,473.00	431,794.00	512,905.00	541,949.00
New Hampshire	No funds	100,000.00	125,000.00	160,000.00	249,993.00	270,000.00	250,000.00	262,890.00
New Jersey	1,787,869.53	912,297.43	1,451,997.00	1,754,818.80	2,487,564.00	2,363,186.00	2,290,337.00	2,875,753.00
New Mexico	86,556.83	229,231.62	477,870.00	651,903.40	841,878.00	1,001,780.00	1,058,347.00	988,422.00
New York	3,035,623.50	2,443,896.73	5,196,871.00	6,611,048.06	8,464,945.00	7,564,457.00	6,967,330.00	8,745,415.00
North Carolina	283,426.86	180,203.13	1,427,879.00	1,692,751.90	2,171,615.00	2,348,206.00	2,206,407.00	2,197,014.00
North Dakota	No funds	100,000.00	125,000.00	160,000.00	263,276.00	270,000.00	252,994.00	261,587.00
Ohio	4,576,995.98	3,485,590.27	4,273,716.00	5,112,422.64	6,009,952.00	6,343,647.00	5,995,305.00	5,842,157.00
Oklahoma	5,633.07	159,180.72	935,125.00	1,056,086.11	1,639,146.00	2,029,448.00	1,995,763.00	1,655,861.00
Oregon	907,061.50	422,957.57	1,054,091.00	1,661,449.86	1,700,884.00	1,615,934.00	1,649,721.00	1,622,798.00

State	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase VI	Phase VII	Phase VIII
Pennsylvania	3,478,121.09	3,276,157.34	4,442,908.58	4,820,308.45	5,381,150.00	4,648,041.00	5,098,270.00	4,895,847.00
Puerto Rico	966,725.00	712,763.70	1,177,618.00	1,635,489.00	1,744,398.00	1,728,549.00	1,854,795.00	1,735,418.00
Rhode Island	271,012.89	169,378.90	206,028.00	224,221.10	284,282.00	286,553.00	291,758.00	332,177.00
South Carolina	290,631.74	123,975.35	987,269.00	1,152,380.50	1,502,642.00	1,556,012.00	1,550,095.00	1,453,703.00
South Dakota	6,055.35	100,000.00	125,000.00	166,120.97	249,998.00	270,000.00	253,447.00	261,165.00
Tennessee	1,180,152.61	675,882.39	1,696,146.00	2,175,877.70	2,430,806.00	2,684,300.00	2,394,726.00	2,491,991.00
Texas	641,527.95	1,774,825.50	4,296,824.00	6,062,371.09	9,994,961.00	12,057,556.00	13,711,749.00	11,738,320.00
Utah	154,301.42	151,199.78	374,856.00	448,566.45	579,460.00	686,643.00	709,147.00	649,812.00
Vermont	No funds	100,000.00	125,000.00	160,000.00	259,998.00	270,000.00	252,409.00	260,000.00
Virginia	244,195.92	128,219.88	380,426.00	844,242.50	1,536,315.00	1,768,318.00	1,507,290.00	1,870,668.00
Washington	1,752,447.57	1,015,009.72	1,746,775.00	2,222,539.09	2,243,048.00	2,832,807.00	3,025,415.00	3,004,847.00
West Virginia	551,301.19	761,966.50	1,060,792.00	1,241,409.13	1,206,517.00	1,266,128.00	1,345,678.00	1,238,636.00
Wisconsin	970,127.56	643,432.11	910,326.00	927,065.23	1,656,630.00	2,080,618.00	1,953,776.00	1,658,174.00
Wyoming	No funds	100,000.00	122,673.00	157,922.00	234,331.00	288,232.00	264,913.00	261,332.00
Guam	No funds	22,610.00	39,550.00	50,850.00	63,280.00	68,379.00	70,645.00	71,613.00
American Samoa	10,860.79	23,890.00	41,650.00	53,550.00	66,640.00	72,009.00	74,395.00	75,415.00
Virgin Islands	No funds	31,232.00	54,600.00	70,200.00	87,360.00	94,399.00	97,526.00	98,863.00
Trust Territories**	No funds	No funds	No funds	No funds	No funds	No funds	No funds	No funds
N. Mariana Islands	149,542.70	14,164.00	14,164.00	31,950.00	39,260.00	42,963.00	44,387.00	44,995.00

** Trust Territories has returned its allocation to the National Board in each phase.

Mr. **Green**. If you could, for the record, provide us that information.

Maybe we ought to be looking at and deal with that problem.

[The information follows:]

Cost of Eliminating Crime Debt

Cummulative borrowings for the crime insurance program are estimated to be $142,477,000 at the end of FY 1990 and $154,604,000 at the end of FY 1991.

CONCLUSION

Mr. **Green**. That concludes our hearing, and we thank you very much for your participation.

Mr. **McNeill**. Mr. Green, thank you, and thank Mr. Traxler for a nice reception and the opportunity to discuss our FY 1991 budget.

[Questions for the record and the justifications follow:]

Congressman Louis Stokes

EMERGENCY OPERATING CENTERS (EOC'S) FUNDING

QUESTION: It is my understanding that Ohio has not received EOC Federal Funds since 1985. Out of 88 counties, 12 have FEMA qualified EOC's. The State of Ohio also has a FEMA qualified EOC. In fiscal year 1990, 12 counties requested EOC funding of $3.5 million, and the State requested $2.4 million. The shortfall in the current FEMA budget is approximately $5.9 million.

For FY 1991, FEMA recommends that the EOC appropriation be increased from the FY 1990 current estimate of $4.8 million of $5 million. The EOC program enables State and local governments to have operational direction and control capabilities during attack, disasters, and postdisaster periods in order to respond to the needs of the population.

Why has the State of Ohio not received any funding since 1985? What steps would assist the State in gaining access to these funds?

ANSWER: The EOC program was not funded in FY 1986 and 1987. In the FY 1988 budget request, FEMA proposed a Survivable Crisis Management (SCM) initiative, which included the development of State-level EOC's in conjunction with other State-level direction and control systems (i.e., communications and EBS).

Although Ohio submitted an SCM proposal in FY 1989, it was not approved for funding. At present that proposal is being considered for resubmittal by the State, with revisions developed as a result of consultation with the FEMA regional office.

QUESTION: What States have received funding since 1985, and what level of funding has been provided?

ANSWER: The following States have received EOC funding since 1985:

State	Year	Federal Funding ($)
Louisiana	1988	$ 150,000
Alabama	1988	1,100,000
New Jersey	1988	100,000
Wyoming	1989	686,000
North Dakota	1989	348,350
Missouri	1989	231,000
Iowa	1989	101,261
Arkansas	1989	1,146,500
Alabama	1989	400,000
West Virginia	1989	50,000
New Jersey	1989	1,736,889
Pennsylvania	1990	600,000

Congressman Louis Stokes

FUNDING FOR WARNING AND COMMUNICATIONS SYSTEMS

QUESTION: On a related note, the State of Ohio has not received any Federal funds for the Siren and Warning System Since 1985. In FY 1990, 20 counties requested funding of $4.6 million.. For FY 1991, FEMA recommends a $255 thousand increase in this program, bringing the total appropriation up to $7.5 million. Funding for maintenance and services (which is scheduled to receive no funding in FY 1990) and the Emergency Broadcast Systems has not been provided to the State since 1985 as well.

Why has the State of Ohio not received any funding in these areas since 1985? What steps would assist the State in gaining access to these funds?

ANSWER: Maintenance and Services (M&S). Ohio received $20,720 in Maintenance and Services funds in FY 1989. These funds were provided to assist in the maintenance, repair and replacement of emergency power and communications systems.

Siren and Warning Systems. The State of Ohio received $49,500 in matching funds under this program in 1985. No funds were available for grants to the States in this program in 1986 and 1987. In 1989 Ohio received $10,530 in State and Local Warning and Communications Systems funding.

The State should review the program emphasis provided it for the year in which it is requesting funding. Particular attention should be given to articulating in its funding request how the funds are going to be used to support the enhancement of its Survivable Crisis Management Capability. FEMA Region V, Chicago, Illinois regional staff are more than willing to work closely with the Ohio State staff in understanding FEMA program guidance and the Survivable Crisis Management concept. Additionally, FEMA staff are available to consult with Ohio State staff during the development of their funding request.

Emergency Broadcast System (EBS). Funds under the EBS are provided directly to the EBS stations, not to States, through the Broadcast Station Protection Program (BSPP) in the form of contracts between the station owners and FEMA.

Two Ohio stations (WWWE Cleveland and WLW Cincinnati) were selected to participate in the EBS Primary Entry Point System which FEMA initiated in FY 88. As a result these stations are in the process of receiving enhanced protection features to provide them with an independent 30-day emergency operational capability.

QUESTION: What States have received funding since 1985 in these areas and what level of funding has been provided?

Congressman Louis Stokes

ANSWER: Maintenance and Services. The funding obligations for M&S projects since FY 1985 are as follows:

Maintenance and Services

State	Year	Federal Funding ($)
Alaska	1988	$ 8,600
American Samoa	1988	41,850
Arizona	1988	8,479
California	1988	4,961
Colorado	1988	470
Connecticut	1988	2,910
Delaware	1988	18,652
Florida	1988	4,525
Hawaii	1988	14,035
Iowa	1988	12,370
Idaho	1988	19,850
Kansas	1988	6,847
Kentucky	1988	8,500
Louisiana	1988	2,950
Mississippi	1988	4,900
Missouri	1988	9,703
Montana	1988	1,350
Nebraska	1988	13,247
Nevada	1988	5,900
New Hampshire	1988	2,500
New Jersey	1988	74,500
New York	1988	19,600
North Carolina	1988	29,228
North Dakota	1988	27,726
N. Mariana Islands	1988	34,358
Oklahoma	1988	38,950
Oregon	1988	5,050
Pennsylvania	1988	13,668
Rhode Island	1988	44,100
South Carolina	1988	9,500
South Dakota	1988	2,013
Wisconsin	1988	25,000
Wyoming	1988	4,601
Utah	1988	4,046

State	Year	Federal Funding ($)
Alabama	1989	38,000
Arizona	1989	7,705
Arkansas	1989	17,750
Colorado	1989	35,996
Florida	1989	50,000
Georgia	1989	17,520
Hawaii	1989	19,234
Idaho	1989	9,262
Illinois	1989	18,350

Congressman Louis Stokes

Indiana	1989	6,850
Iowa	1989	29,330
Kansas	1989	50,713
Kentucky	1989	47,500
Maine	1989	43,450
Maryland	1989	53,979
Michigan	1989	2,000
Minnesota	1989	35,195
Mississippi	1989	26,256
Missouri	1989	42,071
Nebraska	1989	5,380
Nevada	1989	10,000
New Hampshire	1989	8,000
North Carolina	1989	5,758
North Dakota	1989	3,500
N. Mariana Islands	1989	9,516
Ohio	1989	20,720
Oklahoma	1989	25,190
Pennsylvania	1989	12,603
Puerto Rico	1989	14,000
South Dakota	1989	25,288
Tennessee	1989	15,000
Utah	1989	1,651
Vermont	1989	20,000
Virgin Islands	1989	3,505
West Virginia	1989	6,258
Wisconsin	1989	26,000

Siren and Warning Systems. The funding obligations for siren and warning systems since 1985 are as follows:

REGION State	85	86	87	88	89
REGION I					
Connecticut	$7,000				-0-
Maine	$7,500				-0-
Massachusetts	-0-				-0-
New Hampshire	-0-				$29,986
Rhode Island	-0-			$38,995	$13,247
Vermont	-0-				-0-
REGION II					
New Jersey	$20,000			$25,000	$10,680
New York	-0-				-0-
Puerto Rico	-0-				-0-
Virgin Island	-0-				$4,875

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REGION III			
Delaware	-0-	$15,000	$500
District of Columbia	-0-		-0-
Maryland	-0-		-0-
Pennsylvania	$70,000	$23,625	$41,710
Virginia	-0-		-0-
West Virginia	-0-		$249,546
Region IV			
Alabama	$40,000		$4,580
Florida	-0-		$3,000
Georgia	-0-		$23,000
Kentucky	-0-	$25,000	-0-
Mississippi	-0-	$3,000	-0-
North Carolina	-0-	$10,000	-0-
South Carolina	$27,000	$9,500	-0-
Tennessee	-0-		-0-
Canal Zone	-0-		
Region V			
Illinois	-0-		$14,000
Indiana	-0-		$5,020
Michigan	-0-		$13,308
Minnesota	-0-		$10,000
Ohio	$49,500		$10,530
Wisconsin	-0-	$25,000	-0-
Region VI			
Arkansas	-0-		$14,000
Louisiana	$70,000		$1,000
New Mexico	$5,000		-0-
Oklahoma	$3,000	$25,000	$38,500
Texas	-0-		-0-
Region VII			
Iowa	-0-	$9,703	$85,440
Kansas	-0-	$6,847	$12,158
Missouri	$64,000	$9,703	$14,495
Nebraska	$14,000	$39,500	$23,490
Region VIII			
Colorado	$50,000	$470	$721
Montana	-0-	$1,350	$12,436
North Dakota	-0-	$14,863	$25,002
South Dakota	-0-	$2,013	$18,500
Utah	-0-	$3,633	$14,240
Wyoming	$38,000	$24,859	$2,500
Region IX			
Arizona	-0-	$600	-0-
California	-0-		$76,000
Hawaii	-0-	$1,500	-0-

Nevada	$29,000	$25,000	$11,100
American Samoa	-0-		-0-
Guam	-0-		-0-
N. Mariana Island	-0-	$19,000	-0-
Trust Territory	-0-		-0-
Region X			
Alaska	$40,000		$11,000
Idaho	$7,000	$17,150	$8,000
Oregon	-0-	$21,500	-0-
Washington	-0-		-0-

Emergency Broadcast System. No funding for the EBS has been provided to States. In FY's 88 and 89 FEMA allocated $3.5 million for the development of an independent 30-day emergency operational capability for the following 30 Primary Entry Point Stations. These capabilities are being provided through a national contract in cooperation with the FEMA Regions, State Emergency Managers and the station owners.

Primary Entry Point Stations

STATE	CALL SIGN
Arizona	KFLT
California	KCBS
California	KLAC
Colorado	KOA
Florida	WGTO
Georgia	WMAZ
Idaho	KBOI
Illinois	WLS
Louisiana	WWL
Maine	WHOM-FM
Maryland	WBAL
Minnesota	WCCO
Missouri	KCMO
Montana	KERR
Nevada	KROW
New Mexico	KKOB
New York	WABC
New York	WHAM
North Carolina	WQDR-FM
North Dakota	KFYR
Ohio	WLW
Ohio	WWWE
Oregon	KXL
Tennessee	WSM
Texas	KTRH
Texas	WBAP
Utah	KALL
Wyoming	KTWO

In addition, in FY 89 FEMA provided $50,000, $5,000 and $5,000 to radio stations in the States of Florida, Washington and Colorado respectively. These funds were provided to cover emergency maintenance, repair and replacement of EBS protection features and equipment.

PERRY NUCLEAR POWER PLANT

QUESTION: In response to questions I raised last year, FEMA reported in the hearing book that corrective action which had been identified in 1988 involved revisions to emergency response plans, as well as emergency personnel training. FEMA added that verification of corrective action implementation will be provided by FEMA Region V during the next full-participation exercise, currently scheduled for August 30, 1989.

Has the verification of corrective action implementation been provided?

ANSWER: Yes, verification of corrective action implementation has been provided. Areas requiring corrective action were identified during the May 4, 1988, full-participation exercise, site-specific to the Perry Nuclear Power Plant. The State of Ohio, in response to the exercise issues identified, provided a schedule of corrective actions to FEMA Region V for review. Verification of actions such as plan revisions and the conduct of emergency personnel training was provided by Region V through the appropriate procedures. In addition, further verification and effectiveness of the corrective actions implemented by the State of Ohio was provided by FEMA Region V during the full-participation exercise conducted August 8-9, 1989, site-specific to the Davis Besse Nuclear Power Plant.

QUESTION: If so, what were the findings?

ANSWER: FEMA Region V determined that the issues identified during the Perry Nuclear Power Plant exercise conducted on May 4, 1988, for which corrective actions were required by the State of Ohio were corrected during the Davis Besse Nuclear Power Plant exercise conducted August 8-9, 1989, in which the State of Ohio fully participated.

Congresswoman Lindy (Mrs. Hale) Boggs

STATE AND LOCAL EMERGENCY MANAGEMENT

QUESTION: There is a proposed decrease of $54,000 in the Emergency Management Assistance program from FY 1990 (EM-14). According to the budget justification (EM-16), FEMA is already funding the participating communities at below-base funding levels. What is the average percent of Federal assistance that is provided to participating communities? 40/60? 30/70?

ANSWER: The average percent of Federal assistance that is provided through the Emergency Management Assistance program ranges from 37 to 40%

DAM SAFETY

QUESTION: In your objectives for the Dam Safety program (EM-100) you site a 1981 U.S. Army corps of Engineer's inventory of dams. The inventory shows that of 68,000 dams, both Federally and privately owned, 10,000 were classified with high hazard, and 300 were classified unsafe. 150 of these required emergency action. What are the comparable numbers now?

ANSWER: In a report complied for FEMA, State Non-Federal Dam Safety Programs - 1985, the States reported they are regulating 80,536 dams, of which 9,247 are in the high hazard category. 1,948 dams are reported to remain "unsafe" since the end of the 1981 Corps of Engineers National Inspection Program. However, these current data do not reflect a complete cross section of inventory data. The National Inventory of Dams is being updated at this time with a completion date of 1992.

QUESTION: How many operative dams are there that require emergency action today?

ANSWER: In the absence of a formalized National Dam Safety Program with accompanying survey opportunities, we have no way of knowing how many emergency unsafe dams are still in existence. Based on an informal survey conducted by an officer of the Association of State Dams Safety Officials, in 1987, approximately 2/3 of the emergency unsafe dams had not been rehabilitated.

VIOLATIONS OF MANDATORY PURCHASE REQUIREMENTS

QUESTION: Following Hurricane Hugo, FEMA Regional staff identified 400 apparent violations of the mandatory purchase requirements. I know that you referred those violations to the appropriate regulatory agencies. Please provide a list of the agencies they were referred to and the division or person that is handling them, along with addresses and phone numbers.

ANSWER: The 400 apparent violations of the mandatory purchase requirements identified following Hurricane Hugo were referred to

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the following individuals at the agencies listed below:

Ms. Janice M. Smith
Director, Office of Consumer Affairs
Federal Deposit Insurance Corporation
Washington, D.C. 20429-9990
(202) 898-3540

Mr. David S. Goodson, Jr.
Federal Home Loan Bank of Atlanta
1475 Peachtree Street, N.E.
Atlanta, Georgia 30390

Mr. Norris L. Goss
Review Examiner (CA/CR)
Federal Deposit Insurance Corporation
Suite 1200
245 Peachtree Center Avenue
Atlanta, Georgia 30303

Mr. John S. Ruffin
Regional Director
National Credit Union Administration
7000 Central Parkway
Suite 1600
Atlanta, Georgia 30328

Mr. John Frierson
U.S. Comptroller of the Currency
245 Peachtree Center Avenue
Suite 600
Atlanta, Georgia 30303

ASSISTANCE TO LOW-INCOME HOMELESS FROM EARTHQUAKE

QUESTION: FEMA has agreed to provide federal financial assistance for the low income homeless affected by the Loma Prieta earthquake. How much assistance will be provided for this effort?

ANSWER: FEMA has agreed to provide supplemental Federal financial assistance to State and local government for purposes of providing shelter to the low-income transient population that was displaced from shelter due to the earthquake. It is not possible to provide reliable estimates of the amount of this assistance because FEMA did not receive the applications for review until April 3.

QUESTION: Is there a system in place to make this happen easily and quickly as possible?

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ANSWER: This activity has not been easy or quick. We have had difficulty, as have State and local governments, in developing accurate figures for the amount of actual damage to transient units. In addition, FEMA was sued by legal-aid attorneys in January, which, of necessity, forced us to put all processing activity on hold. We continue to have substantial legal difficulties with additional court hearings scheduled, but are making every effort to continue the review and approval of applications received April 3.

QUESTION: How do you plan to handle the homeless in future disasters? Are they being incorporated into your evacuation plans and preparation exercises?

ANSWER: FEMA has concerns that the Stafford Act is not the appropriate vehicle for resolving problems of long-term homelessness. That said, FEMA will review and amend its regulations and policies as necessary to assure that the disaster-related needs of this population are met. In addition, the problems of meeting the needs of this population will be included in future earthquake preparedness activities including evacuation planning.

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SETTING UP DISASTER ASSISTANCE CENTERS AFTER HUGO

QUESTION: I realize that FEMA had a large job in handling the Hugo disaster. However, I would like to address the issue of the adverse publicity that FEMA received after this disaster in regard to setting up Disaster Assistance Centers (DAC), taking applications, processing claims, and providing emergency assistance. One of the complaints focused on FEMA taking so much time to set up the DACs and then once the DAC was established (days after the disaster) and staff began to take applications, there was not any available staff to process the claims. Would you like to comment?

ANSWER: It is true that FEMA got off to a slow start in setting up an adequate number of DACs and assembling sufficient personnel to keep up with the application processing workload, particularly in South Carolina. There were numerous reasons for this, the most prominent of which was the tremendous damage that occurred. This made it extremely difficult for the States, whose normal responsibility it is to identify DAC locations, to find undamaged buildings with necessary electric and sanitary services. Locating sites for Disaster Field Offices, the facilities where the applications taken at the DACs are processed, was equally problematic for the same reasons.

Consequently, FEMA is developing a capability to establish Disaster Field Offices capable of supporting small core staffs in catastrophes where buildings, power and other essential services are unavailable. The DAC capability is also being supplemented by the installation of a central toll free telephone bank where disaster victims may call to register for assistance when visiting a DAC is impractical or inconvenient.

RESPONSE TO MAJOR DISASTERS

QUESTION: Have you taken any steps to improve your response to major disasters? Have you implemented anything you learned from your experience with the Hugo and California earthquake disasters?

ANSWER: FEMA has undertaken an intensive analysis of its response capability in the wake of Hugo and Loma Prieta. Review of the lessons learned and the proposed initiatives to improve response capabilities is still ongoing; changes at present would therefore be premature. Some of the issues under examination are whether:

- o We should develop a capability to establish a Disaster Field Office and to support a small, core staff in the aftermath of a catastrophe where buildings, power, and other services are unavailable.
- o To propose legislation to permit immediate FEMA response

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upon determination by the President that a catastrophic event has occurred where such action is critical to saving live.

- To propose to organize the headquarters Emergency Support Team of Federal agencies on a standard command and control model, and develop an effective Emergency Operations Center.
- To expand the Catastrophic Earthquake plan to include all extraordinary disasters, and to reorganize its Disaster Field Offices to better accommodate both the response and recovery requirements.

TELEREGISTRATION

QUESTION: Last year in my state of Texas, there were numerous disasters such that affected many counties and in fact on some occasions almost the whole State. In Texas, FEMA took a different approach to handling disaster assistance. Instead of setting up centers, this region set up a FEderal REgistration Hotline--a 1-800 number--and took most applications in this manner. Under this system, FEMA was ready to respond to victims of disaster immediately, instead of having to wait for FEMA officials to travel to the disaster site and set up a center. Further, FEMA was able to take applications from all disaster declared counties in Texas and even Louisiana at one central place, instead of having to travel to each disaster area. This efficient operation allowed FEMA to begin processing applications soon after a disaster victim called. I have not heard one complaint about applying for assistance in this manner from any of my constituents.

Under the normal FEMA procedure, it seems that FEMA responds to a disaster by taking a large amount of time, staff, travel expenses, rental cars, etc., just to set up a center, and then once the center is set up there is only time to take applications and not enough time to process claims. (I believe this was the problem in the case of the Hugo disaster.) I am curious as to whether you have looked into and studied the use of a hotline number where FEMA could start responding to victims immediately by taking applications over the phone in one central location with already trained staff who could begin to process claims soon after a call comes in. Would you please share your comments as to whether FEMA has explored this system? If so, what have you found? Does this save money? (ex. travel per diem, etc.) Is this not a faster and more efficient way to respond to victims?

ANSWER: Over the past year, FEMA has been evaluating the use of a national toll-free telephone number over which disaster victims could register for assistance. In fact, field tests were conducted last summer in the disasters you cited in Texas and Louisiana. The system (FEMA refers to it as "Teleregistration") then proved its value in the Loma Prieta earthquake where nearly 50,000 Californians registered for aid by way of FEMA's Denton, Texas phone bank. Calls were being accepted within twenty-four hours of the President's major disaster declaration, while it was another three days before the first local Disaster Application Centers were set up. At its busiest, the teleregistration facility employed nearly 600 personnel to staff an around the clock operation, at least ninety percent of whom lived in the Denton area. FEMA is currently comparing the savings in travel and per diem to the additional expense of the telephone charges, and it will be several more weeks before any savings can be calculated.

There is little doubt that telephone registration is faster and more efficient in most cases. However, the question of the quality of the clients' interaction with the Federal government is more elusive. For example, some observers believe there are distinct psychological benefits to face-to-face contact; others cite the convenience and anonymity of using the phone. Another problem, of course, is the infeasibility of the concept when the disaster has created such devastation that telephone service is unavailable. In Saint Croix and in some areas of South Carolina teleregistration would not have been feasible. Accordingly, FEMA believes that the best approach will be to provide both means of application and allow the disaster victim to decide how he or she wishes to do business with the government. Caller surveys and other feedback from applicants has been positive.

Accordingly, FEMA intends to continue examining the teleregistration process. It will also investigate the feasibility of performing some data processing functions at the same location. No decisions have yet been made with regard to the number or placement of such facilities.

ROLE IN SUPERFUND

QUESTION: I understand FEMA has a role in regard to Superfund. For example, providing training for first responders, and relocating families if needed during chemical removal. Could you please outline your role in this regard?

ANSWER: Training First Responders

FEMA's Office of Training offers first-responder training courses at the National Emergency Training Center and through nonresident training conducted by state and local agencies. The latter program is supported by funds provided to states and is delivered by FEMA and/or state approved instructors. The office is pursuing an effective interagency training program in support of the National Response Team (NRT) initiatives for Federal, State, local and private sector audiences as required by Superfund. To meet this goal, we have set objectives for continuing need assessment through the training committee of the NRT, maintenance of current training curricula, development of new training materials, and updating/revising existing courses.

FEMA Relocation Assistance. FEMA has been delegated, through Executive Order 12580, Superfund Implementation, the responsibility, but no staff or funding, to provide temporary relocation assistance to individuals and permanent relocation assistance to residents, businesses and community facilities threatened by hazardous materials incidents. FEMA receives on an annual basis, approximately $340,000 in an interagency agreement from the Environmental Protection Agency (EPA) for staff to support program development and maintenance at the Headquarters level. Funding to support relocations at hazardous materials sites is provided by site specific interagency agreements from the EPA.

To date, FEMA has conducted 40 temporary relocations and 7 permanent relocations involving over 1,000 families.

SARA TITLE III FUNDING

QUESTION: Last year, this subcommittee included funding for SARA Title III activities. The States welcomed this funding for training because as you know they are very limited in resources for this activity. Once again, the administrations budget has not requested funds for SARA Title III training grants. How were these funds used last year?

ANSWER: Funds in 1990 for SARA Title III training were initially appropriated in the amount of $3,840,000 under Section 305(a) of Title III of the Superfund Amendment and Reauthorization Act (SARA). The funds were provided directly to the States and Indian Tribes and are being used to support hazardous materials training. This includes delivery costs and student attendance costs incurred by the States. Below is a summary breakout of those funds:

Initial grants directly to the States	$2,928,000
Grants directly to Indian Tribes	150,000
Printing of Hazardous Materials Courses to be provided to the States and Indian Tribes	300,000
Follow-up grants directly to the States	432,000
Field Evaluation System/Field Reporting System Support	30,000
	$3,840,000

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The primary objective of the 305(a) grant program was to help States develop a baseline training capability for hazardous materials training that could be continued in the out-years after the end of the program. The thrust of the training was to develop training capability at the end-user level in the areas of planning, response, prevention, and mitigation.

QUESTION: Did you request funds for this purpose of OMB?

ANSWER: Yes.

QUESTION: If so, what was the amount you requested of OMB?

ANSWER: $5,000,000 was requested for training grants under the Hazardous Materials Program.

MAINTENANCE AT NETC CAMPUS

QUESTION: I am very interested in programs within FEMA which deal with various fire programs. I have firefighters in my district which have been to the Emmitsburg Campus and greatly benefitted from the training they have received there. I understand it is a very beautiful campus. However, I was surprised when I learned that the buildings on the campus are in great need of maintenance and in fact that some of the structures do not meet Maryland Fire Code requirements. Is this a correct statement?

ANSWER: Yes, it is correct to say that most of the buildings at the Emmitsburg campus do not meet Maryland fire code requirements. An initial inspection of the campus was conducted in March 1987 with a follow-up inspection in April 1989. The follow-up inspection found that most of the minor deficiencies of the 1987 inspection had been corrected. Corrective action has not been initiated or completed in those areas requiring major renovation due to the non-availability of funds. It should be pointed out that $300,000 was made available in 1990 from other FEMA programs to initiate corrective action on the campus fire alarm system.

QUESTION: How much do you have in the budget for maintenance and operation of these facilities?

ANSWER: The 1991 request for NETC Site Administration which includes operation and maintenance of the facility and support for the National Fire Academy and Emergency Management Institute educational programs is $4,955,000 in Emergency Management Planning and Assistance, $2,221,000 in Salaries and Expenses, and 45 workyears.

QUESTION: What amount did you request from OMB for this purpose?

ANSWER: The 1991 request to OMB for NETC Site Administration was $9,864,000 in Emergency Management Planning and Assistance, $2,369,000 in Salaries and Expenses, and 50 workyears. The request includes $4,900,000 for correction of fire safety and handicapped accessibility deficiencies.

QUESTION: What amount would it take to bring the buildings up to meet fire code requirements -- at the very minimum?

ANSWER: It would take approximately $4,600,000 minimum to bring all the buildings up to meeting the fire code requirements.

APPLICATIONS FOR TRAINING AT EMMITSBURG

QUESTION: How many applications did you receive for training at Emmitsburg versus the slots you had available for courses at the campus?

ANSWER: Within the National Fire Academy, there are approximately three applications received for each space in a course. In the Emergency Management Institute (EMI), a backlog exists in only a few of courses. It should be pointed out, however, that based on information provided to the States and FEMA Regional Offices, applications may be withheld at those levels when EMI classes are full. It is difficult to determine the number of EMI applications that could be received since some applications may not have been submitted because the classes were already full.

COURSES ON NETC CAMPUS

QUESTION: How many courses were taught at the campus last year versus how many you will be able to teach this year and how many you will be able to offer with the proposed FY 1991 funding?

ANSWER: In 1989, there were 111 on-campus course offerings in the Emergency Management Institute (EMI) and 264 on-campus course offerings in the National Fire Academy (NFA) including 105 offerings under the Academy's State Weekend Program. In 1990, EMI plans to deliver 140 on-campus course offerings while the Academy has scheduled 270 offerings including 120 offerings under their State Weekend Program. For 1991, the plans are for EMI to conduct 149 on-campus course offerings while NFA will have 260 offerings of which 120 offerings are part of the State Weekend Program.

STUDENT REGISTRATION FEES

QUESTION: I noticed the Administration's Budget has proposed yet another collection of "user fees". One proposed fee is a student registration fee of $25 per registration per week at the Fire Academy. The revenues collected in this manner would be deposited directly into the Treasury. How much do you estimate will be collected from the $25 fee?

ANSWER: Applying the registration fee to resident students attending the Emergency Management Institute and the National Fire Academy, the projected revenue is $260,000. It would be appropriate to point out that students participating in the State Weekend Program of the Academy and students attending the Train-the-Trainer programs in both institutions will be exempt from the registration fee.

QUESTION: Why not put these funds collected back into the fire programs? What about that?

ANSWER: There is no legal authority for FEMA or the Office of Training to retain the revenues collected from the registration fees. As a matter of policy these receipts would be deposited in the Treasury contributing to overall deficit reduction. Through the budget and appropriations process, the Administration and Congress would then maintain oversight and control over the programs.

EFFORTS TO REDUCE RURAL FIRE PROBLEM

QUESTION: Last year I asked you a number of questions in regard to efforts being made by the U.S. Fire Administration to reduce fire problems in rural areas -- which are unique as well as numerous. Would you please update us as to your initiatives and achievements in this area?

ANSWER: The following new initiatives related to the fire problem in the rural area are being provided by program office.

Office of Policy and Coordination

Fire Service Accreditation Concept - There currently exists a national accreditation process for police departments; however none exists for fire and emergency service departments. Several national leadership organizations support such a process and have committed their organizations to support the development of a national program. A grant was given to bring together these organizations to discuss with the USFA the accreditation concept and to obtain a consensus about it's development and testing.

Office of Fire Prevention and Arson Control

HUD/USFA Alternative Fire Safety Systems for Affordable

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Housing - The Joint Venture for Affordable Housing (JVAH) Program of HUD was expanded to include residential sprinkler systems for multi-family housing. HUD is providing training and information to field and regional JVAH staff on these new fire safety systems. Workshops and training sessions for local officials, builders, and related industry associations will be given in cooperation with Operation Life Safety (OLS)/IAFC.

Fire Safe Modular House - The USFA, in conjunction with the Architectural Transportation Barriers Compliance Board (ATBCB), the Department of Housing and Urban Development (HUD), the Paralyzed Veterans of America, the National Association of Home Builders (NAHB)/Research Foundation, and others has designed and is building a fire safe, adaptable and accessible modular house. Nanticoke Homes of Delaware will construct this home for demonstration at the NAHB research park in Prince Georges County, Maryland. An inaugural ceremony is planned for March/April, 1990 for builders, Congress, and State and local officials.

Head Start Fire Safety Project - In conjunction with the Department of Health and Human Services and the Tobacco Institute, the USFA is supporting the demonstration of a new fire safety curriculum, developed by the Pan Education Institute of Kansas City, in Head Start centers in federal Region VIII. Due to its success, an expansion to four additional Federal Regions will be carried out during FY 90.

Fire Prevention Assessment Project - A new fire prevention assessment instrument developed by a consortium of public fire safety specialists has been successfully field tested in 24 fire departments across the U. S. The USFA is considering a follow-up effort to support the implementation of this important new instrument in fire departments across the country.

Vehicle Fire Investigation Guidelines - Several vehicles were burned and the results computerized, and video taped. The information is being edited, and will be made a part of an informational package that can be used by investigators to determine origin and cause of vehicle fires.

Organization and Management of Arson Units - A continuation of an initial study that resulted in the identification of successful approaches in management for arson units. The strategies that were identified will be placed into practice throughout the country. In addition, technical assistance will be offered to departments, as well as management audits conducted for requesting departments.

Field Index Guide for Fire Investigators - This guide which is designed to furnish fire investigators a quick and accurate reference to experts in all fields of interest to the fire investigator, is being printed and will be available for distribution to all fire investigators.

Arson Information Management System - Several hundred Arson Information Management System (AIMS) computer programs have been distributed throughout the country. The program is proving to be highly successful. In order to standardize the utilization of the program, several workshops are being conducted around the country to insure that the program is being used as designed.

Juvenile Arson Program - An interagency agreement with the Department of Justice is continuing. The program thus far has identified what the scope of the juvenile problem presently is, and the next phase of the program will design strategies that can be used to mitigate the juvenile arson problem. A national advisory committee of fire, police, justice, health and mental health and others oversees this unique effort.

Arson Forum - A group of fire investigators has been brought together for the purpose of identifying what arson related problems exist in the field. The results of that forum will permit USFA to conduct research and develop solutions and strategies to assist the fire investigator.

Arson Resource Center - The Arson Resource Center is being updated and being placed on an electronic bulletin board. The new electronic bulletin board will allow investigators from throughout the country instant access to fire investigation related materials that make up the Arson Resource Center.

Residential Sprinklers and other technologies:

USFA undertook several new efforts this past year:

- Smoke Detectors for the Hearing Impaired - A grant was given to Underwriters Laboratories to develop standards for smoke detectors for persons with hearing impairment.

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Demonstration Trailers - Twenty new demonstration trailers were acquired and are being provided to fire service for demonstrations across the country. A total of 40 trailers are now available for use.

Cost/Benefit Study - The sprinkler cost/benefit analysis program is being compiled into a basic software program for use by fire departments and local governments.

House Trailer Safety - A contract was awarded to Underwriters Laboratories to design and test unique residential sprinkler systems for mobile homes and rural housing.

Public Awareness Campaigns - USFA developed and conducted two new campaigns this past year: 1) "Curious Kids Set Fires," and 2) "This is Fire."

Safe Kids Campaign - USFA entered into a cooperative effort with the National Safe Kids Campaign that will focus on prevention of burns and installation and maintenance of smoke detectors. USFA's $150,000 grant is being supported by a $800,000 expenditure by the National Safe Kids. Johnson and Johnson, National Safety Council, and the National Children's Medical Center initiated this outstanding Safe Kids effort.

Western Fire Chiefs - A grant was given to Western Fire Chiefs Association for the support of a regional public fire safety program that could serve as a model for other regions of the country.

Injury Prevention Strategies - USFA was a principal participant in the HHS/CDC directed development of Health Objectives for the Year 2000 for the country. Several specific fire related objectives and strategies in injury prevention and control are included in the draft plan now being circulated across the U. S. for comment.

USFA also provided a small grant to Pan Education Institute for the development of a white paper on possible USFA strategies for addressing injury prevention as part of an overall public fire education focus.

Office of Firefighter Health and Safety

Communicable Diseases - The USFA has conducted a second forum on communicable diseases. We are moving to implement the recommendations of this second forum. We are actively pursuing development of a course for fire service members in preventing the spread of infectious diseases and are developing informational materials in this vital area.

Hazardous Material - USFA is testing equipment and making recommendations to the fire service on methods for best dealing with Hazardous Materials incidents. We are preparing materials for use by fire departments in instituting programs for lessening the effect of metabolic heat stress at hazardous chemical incidents.

Protective Equipment Standards - USFA is working with the major standards setting organizations to develop improved standards for protective equipment. The USFA is funding development of new equipment tests which will be used to improve the quality and reliability of equipment available to the fire service.

Emergency Vehicle Operator Training - USFA has identified emergency vehicle accidents as a major contributor to firefighter death and injury. The USFA is developing model driver training programs which departments can use in schooling operators of emergency equipment.

National Fire Data Center

USFA receives incident-based fire data voluntarily provided by local fire departments through participating State fire marshals who collect, analyze, and forward the information to the National Fire Data Center. USFA supports this national data collection through a cooperative agreement with the National Fire Information Council (NFIC), a public non-profit association of State and local fire officials involved in fire incident data collection and analysis. With the cooperation of NFIC, USFA operates the National Fire Incident Reporting System (NFIRS). NFIRS data is used to analyze the Nation's fire problem at the national, regional, State, and local levels. Based upon the analyses at the respective levels, reports are developed describing the fire problems and indicating targets for prevention and mitigation strategies.

o During FY 1989, the National Fire Data Center and NFIC were successful in recruiting two major metropolitan fire departments, Philadelphia and Denver, as participants in NFIRS.

o In addition to general analyses, special studies and various projects were initiated to address specific problems and current issues facing the fire and rescue service, including, the analyses and dissemination of

USFA's Technical Reports series on major or unusual fires which continue to accomplish information transfer in a lesson-learned format, as an on-going service to interested parties, during 1989-1990 approximately 30 such reports were produced.

- Other areas of support activity include development of management information systems for fire department operations, analysis of emergency medical systems' operating problems, and in-depth analysis of fatal fires.
- During 1989, development continued in the analytical methods used to support overall fire service operations management, through focused review of a number of selected fire departments' total activity. The data sets which are being used have been collected from 4 States and approximately 30 other local departments and have been initially processed and edit checked. This data covers the full range (all) of the incidents attended by the fire service providers, thus going beyond the "fire file" currently maintained by USFA's NFIRS program. This continuing initiative, is partially intended to develop and model techniques for generating useful information from these non-fire incidents and improving the utility of the management information systems.
- The development of the "Wildfire" reporting component for NFIRS was initiated in 1989. The "Wildfire" data elements, code conventions, and collection formats were reviewed to support the new module, under development.
- The Emergency Medical Services operations issues and solutions activity is underway in conjunction with the American College of Emergency Physicians (ACEP) and the other fire department/EMS participants. All of the preliminary planning efforts for this agenda have been developed and approved. The first order of issues/concerns have been identified and researched. Site visits are scheduled for 1990.
- The Hazardous Materials Reporting System component to NFIRS was completed and is being released to participating departments.
- Additional efforts to enhance fire department response to hazardous materials incidents has led to an activity in conjunction with the Environmental Protection Agency (EPA) to incorporate the NFIRS input programs with EPA's CAMEO II PC package which provides first responders with in field computer assisted resources helpful in identifying, controlling, and mitigating the effects of hazardous materials incidents.

Congressman Jim Chapman

- Two additional Management Application Project Data Collection/Information Systems were completed, which are:

  1. the EMS Incident Reporting Systems, and

  2. the Fire Prevention Management Information System.

  Each was designed to provide local fire departments with the in depth information necessary to effectively manage these special needs topics. These programs will be released for pilot testing this year.

Question: Do you feel there is adequate funding requested in FY 1991 to continue these efforts?

ANSWER: We feel that there is adequate funding requested in the 1991 budget for this effort.

Congressman Chet Atkins

POTENTIAL EARTHQUAKE OFF CAPE ANN

QUESTION: In 1755, Massachusetts had a sizable earthquake in Cape Ann, just north of Boston. The quake was comparable, I believe, to the Loma Prieta quake in magnitude. Am I correct to say that an earthquake of similar magnitude in Cape Ann today would cause billions of dollars in damages and hundreds of lives lost?

ANSWER: The estimated magnitude of the November 18, 1755, Cape Ann earthquake was 6.0, with a maximum Modified Mercalli Intensity VIII. It was located in the Atlantic east of Cape Ann and was felt over 400,000 square miles from Nova Scotia to the Chesapeake Bay, Lake George, NY into the Atlantic.

Based on the Metropolitan Boston Area Earthquake Loss Study, The Seismicity of New England and the Earthquake hazard in Massachusetts (funded by FEMA), as well as other studies, a recurrence of an earthquake of that magnitude off Cape Ann today would cause damage in the range of 5 to 6 billion dollars in the Boston metropolitan area due to ground shaking, with significant additional losses due to secondary effects such as soil liquefaction failures, fires, and economic interruptions. Hundreds of deaths and thousands of major and minor injuries would be expected, and thousands of people could be displaced from their homes.

QUESTION: At what magnitude would an earthquake in Cape Ann cause serious damage to Massachusetts and Boston, and what is the likelihood of an earthquake of this severity happening in New England in the next thirty years?

ANSWER: The damage estimates cited in the Metropolitan Boston Area Loss Study are based on a magnitude 6.25 earthquake. However, the 1940 Ossipee, New Hampshire earthquakes which caused damage to chimneys, the cracking of plaster walls, movement of large cemetery monuments, and some instances of houses thrown out of plum, are estimated to have been magnitudes 5.5 and 5.4

While small earthquakes are regular occurrences in New England, large earthquakes are relatively rare. According to scientific experts, earthquakes in the northeastern United States (New Jersey, Pennsylvania, New York, and New England) at or above magnitudes 5.0, 5.5, 6.0, and 6.5 have average repeat times of 9-14 years, 25-42 years, 64-122 years and 167-356 years, respectively. These numbers are estimates based on modern seismic activity which is well known for only 50 years. The estimations of these values at magnitudes above 6.0 are speculative and subject to considerable uncertainty. Furthermore, these repeat times merely represent statistical averages appropriate over long time periods. The time interval between any two earthquakes of a certain magnitude could be much less or much greater than the calculated average values. Nonetheless, the average repeat times give some quantitative idea of the seismic activity rate in New England and vicinity.

LOMA PRIETA EARTHQUAKE

QUESTION: Just before the Loma Prieta quake, FEMA engaged in an exercise in California called RESPONSE 89, which was a dry run of the emergency procedures called upon in case of an earthquake. As luck would have it, "showtime" was only two months later. How did RESPONSE 89 help FEMA respond to the Loma Prieta quake? What lessons were learned in the dry run that you were able to correct in that short period?

ANSWER: RESPONSE 89, which was a joint Federal/State exercise simulating a Richter magnitude 7.5 earthquake along the Hayward Fault in the San Francisco Bay area, involved some 600 participants in a simulated "disaster field office" in Sacramento, CA. The basic purpose of the exercise was to test Federal/State government plans, procedures, mechanisms, and structures to support a coordinated response required for immediate lifesaving and life supporting efforts in a catastrophic earthquake.

Most participants agreed that RESPONSE 89 provided excellent training and was particularly useful in demonstrating the merits of collocating the Federal and State response organizations. The exercise allowed participants to test and evaluate their own response structures and procedures and to identify areas of strength and weakness.

Unfortunately, the two-month time period between RESPONSE 89 and the Loma Prieta Earthquake was far too short to permit implementation of most of the lessons learned during the exercise. Moreover, since the earthquake was not catastrophic, the local and State governments had the response well under control and did not need much of any Federal support during the immediate lifesaving phase.

The State of California has said that the training received in preparation for and during RESPONSE 89 was clearly valuable during the response to the Loma Prieta Earthquake. For example, in the State Operations Center, revised formats for situation summaries and action plans were transferred from the exercise to the actual response; identification of staging areas was addressed early on in the response; Federal agencies were ready and waiting for tasking by their State counterparts (though very little Federal support was actually needed).

Congressman Chet Atkins

EMERGENCY EARTHQUAKE PREPAREDNESS EXERCISE

QUESTION: In some of the other areas that have had strong earthquakes -- Cape Ann, the Mississippi Valley, the St. Lawrence River region in New York, Charleston, S.C. -- are there any plans for FEMA to test emergency earthquake preparedness in these regions?

ANSWER: Emergency earthquake preparedness activities are being conducted across the U.S. The Federal Government is developing supplements to the national "Plan for Federal Response to a Catastrophic Earthquake" in the 13 high-risk, high-population areas identified as being especially prone to earthquakes. This work is being coordinated by FEMA Regional Office staff working with other Federal agency Regional personnel and their programmatic counterparts in State government. Federal and State planners meet quarterly on average in most Regions to discuss planning issues and work toward completion of the risk-area supplements.

A particular area of focus during FY 1990 is the Central U.S. where planning for a catastrophic earthquake along the New Madrid Fault presents unique coordination problems because of potential impact on up to seven States and four FEMA Regions. Emphasis on earthquake response planning has also gained momentum in the Eastern U.S. since the Loma Prieta Earthquake.

FEMA has developed an Interagency Earthquake Response Exercise Strategy which lays out for the next 5 years an integrated approach to maintain and improve Federal response capabilities through workshops, seminars, and exercises. The next major FEMA-sponsored earthquake exercise, RESPONSE 90, will feature a 7.5 Richter magnitude earthquake along the Wasatch Fault in Northern Utah. RESPONSE 91 will be a joint Federal/State functional tabletop exercise based upon an 8.5 Richter magnitude earthquake with a epicenter in the Puget Sound area of Washington State. RESPONSE 92 is planned as a tabletop exercise in the Central U.S. RESPONSE 93 will be back to the Wasatch Fault for a full-function exercise. And, RESPONSE 94 will feature a simulated earthquake along the San Andreas Fault in the Los Angeles area. In the year prior to each exercise, the Regional Office holds a major workshop in preparation for the exercise.

RESPONSE 89 LESSONS LEARNED

QUESTION: What are the lessons learned from RESPONSE 89 transferrable to other types of disasters in other regions? For example, could these lessons be useful in a disaster like Hurricane Hugo?

ANSWER: Yes, the lessons learned from RESPONSE 89 are definitely transferable to other types of disasters in other regions.

Congressman Chet Atkins

One of the basic purposes of RESPONSE 89 was to test the "Plan for Federal Response to a Catastrophic Earthquake." A major feature of the Plan is the grouping of Federal assistance to support State and local government response actions around 11 Emergency Support Functions (transportation, communications, mass care, health and medical services, urban search and rescue, etc.). The exercise validated the Plan's concept of grouping Federal agencies organizationally by mission into Emergency Support Functions. Since these functions are common to any emergency operation, the Plan could be used as a mechanism for coordinating other emergency responses.

The foreword to the Plan even states that its purpose is to assist State and local governments affected by a catastrophic earthquake or, if appropriate, another catastrophic natural event, during emergency lifesaving operations. One of the lessons learned from Hurricane Hugo is that the Plan needs to be broadened beyond earthquakes specifically to cover other catastrophic natural events.

EARTHQUAKE ACTIVITY IN THE UNITED STATES

QUESTION: Could you supply for me, either on the record or just to my office, a detailed description of quake activity in the United States including the likelihood of quakes in different regions? It can either be in narrative form or a seismic map of some sort.

ANSWER: Earthquakes occur in virtually all 50 States, Puerto Rico, and the Virgin Islands. Most frequently, they occur in California, Alaska, the Caribbean, in the grid of faults, chains of volcanoes and mountains, and deep oceanic trenches that represent the boundaries between the great crustal plates that form the Earth's outer shell. Quakes that occur within the interior of the giant crustal plates are less common, but can be equally destructive.

The following list, compiles by the United States Geological Survey (USGS) shows 17 significant earthquakes in the history of the United States recorded by date of occurrence. This list ranges from 1775 to the recent Loma Prieta quake.

-- Cape Ann, MA, 11/18/1775, magnitude 6.0, MMS VIII
-- New Madrid, MO, seismic zone, (3 quakes) 12/16/1811, 1/23/1812, and 2/7/1812, magnitudes 8.4 to 8.7, MMS XI
-- Virgin Islands, 11/18/1867, magnitude 7.5, MMS VIII
-- Charleston, SC, 8/31/1886, magnitude 6.6, MMS X
-- Charleston, MO, 10/31/1895, magnitude 6.2, MMS IX
-- San Francisco, CA, 4/18/1906, magnitude 8.3, MMS XI
-- Mona Passage, PR, 10/11/1918, magnitude 7.5, MMS IX
-- Long Beach, CA, 3/10/1933, magnitude 6.2, MMS VIII

Congressman Chet Atkins

- -- Olympia, WA, 4/13/1949, magnitude 7.1, MMS VIII
- -- Hebgen Lake MT, 8/17/1959, magnitude 7.3, MMS X
- -- Prince William Sound, AK, 3/27/1964, magnitude 8.4, MMS X
- -- Seattle, WA, 4/29/1965, magnitude 6.5, MMS VIII
- -- San Fernando, CA, 2/9/1971, magnitude 6.6, MMS XI
- -- Coalinga, CA, 5/2/1983, magnitude 6.7, MMS VIII
- -- Borah Peak, ID, 10/25/1983, magnitude 7.0, MMS IX
- -- Whittier, CA, 10/1/87, magnitude 5.9
- -- Loma Prieta, CA, 10/17/89, magnitude, 7.1

A more thorough response to your question will be provided directly to your office. The scope of the question precludes a short, yet complete, answer that can be included in this report.

Congressman Bill Green

WASHINGTON AREA WARNING SYSTEM

QUESTION: I have in hand, Mr. Peterson, your letter of January 4 describing the upgrading of the capabilities of the Washington Area Warning System (WAWAS) jurisdictions. I have a couple of questions:

If the National Security Council no longer feels that WAWAS is necessary, why are we spending money on it?

ANSWER: FEMA, in consultation with representatives from the WAWAS political subdivisions, made a decision in mid-1989 to discontinue operation of the WAWAS. The money being spent on the WAWAS is for the sole purpose of dismantling the system.

QUESTION: What will WAWAS do?

ANSWER: After Fiscal Year 1990, the WAWAS will cease to exist.

QUESTION: How will it differ in product or in funding from the rest of the country?

ANSWER: After Fiscal Year 1990 the WAWAS will cease to exist.

QUESTION: You suggest in the letter that we are "mainstreaming" WAWAS jurisdictions - if so - why is it being treated separately?

ANSWER: The WAWAS has been in existence since the mid-1950's. The equipment is old and in severe disrepair. The WAWAS political subdivisions have formally requested its discontinuance. A combination of these two facts led FEMA to the decision to discontinue the system. As it is the only Federally owned and operated system of its kind, it has received separate treatment. The "mainstreaming" of the WAWAS jurisdictions will be accomplished by providing those jurisdictions the opportunity to apply for Federal financial assistance under the Civil Defense program through the same application mechanism used nationally, that is the Comprehensive Cooperative Agreement (CCA) between States and FEMA. Additionally, the WAWAS jurisdictions have been provided the attack warning capability which is in place nationally. This is the National Warning System (NAWAS). Once the WAWAS has been dismantled, those jurisdictions previously served by it will have been mainstreamed into the national Civil Defense program.

DAMAGE VERIFICATIONS

QUESTION: I would guess that one of the great pitfalls of the Individual and Family Grant program is how one determines what conditions existed before the Hurricane and which were caused by it. This is made worse by the apparent difficulty with enforceable building codes in the Caribbean. How do you think we can better deal with this problem?

ANSWER: This is a problem in administering both the Individual and Family Grant and the Temporary Housing programs. The verification of disaster-related damages is a major step in providing assistance. FEMA contracts with companies that can provide experienced certified construction experts to verify damages. These damage inspectors are skilled in separating damages attributable to the event from those that are pre-existing. There are numerous telltale signs that can indicate the age of the damage to the house but, in some cases, it is impossible to identify pre-existing problems. FEMA's approach is to err in favor of the applicant.

From reports provided by damage inspectors, FEMA provides assistance to applicants for the repair to a structure and/or the repair or replacement of personal property.

PROCUREMENT OF SUBCONTRACTORS IN VIRGIN ISLANDS

QUESTION: I know that while finding qualified subcontractors in Puerto Rico was not a problem, it was in the Virgin Islands. Do you need some flexibility in this regard?

ANSWER: This situation was a local problem which has been resolved and FEMA does not need any flexibility in this regard. The problem stemmed from a misunderstanding in interpreting the performance bond requirements in the procurement provisions of the uniform common rule, 44 CFR 13.36, which contained a provision requiring, under certain conditions, that contractors post a 100 percent performance bond. Normally the VI required only a 50 percent performance bond, while the 100 percent requirement limited the number of contractors able to submit bids. As provided in the regulation, FEMA advised the VI that it should use the same policies and procedures it uses for procurements from its non-Federal funds.

HOSPITAL SITUATION IN ST. CROIX

QUESTION: You will remember we spent some time at the hospital in St Croix that was being run out of a MASH unit. You and I discussed at that time that, prior to Hugo, the hospital had been decertified and the physical plant was in terrible shape. Clearly, FEMA should not be stuck with having to fix up a facility that was in bad shape to begin with. How is this problem coming along?

ANSWER: FEMA is fully aware of this situation and the damage survey reports, used as the basis for FEMA funding, distinguish between pre-existing conditions and damage attributable to Hugo. The same situation exists for the hospitals on St Croix and St

Thomas, and the infirmary on St Johns. FEMA has reliable documentation concerning the pre-disaster conditions of the facilities, and the estimates of the eligible disaster caused restorative work were prepared by professional engineers. The total estimate for the eligible work on the three facilities is approximately $10 million.

MOBILE HOMES FOR VIRGIN ISLANDS

QUESTION: Staff was present at a meeting several weeks ago concerning housing for those left homeless by the Hurricane in the Virgin Islands--especially St. Croix. As I understand it, the VI government was interested in providing modular housing. Clearly this is beyond your mandate.

Have you had any luck in resolving this matter? I know you had offered to sell them some trailers--are they going to accept that?

ANSWER: The problem of providing shelter/housing to pre-disaster renters in St. Croix has been one of the most difficult we have faced in the aftermath of Hurricane Hugo. Absent effective communications, and given that many victims left the island for a time after the hurricane, it has been very difficult to even identify those who need this help. The Governor of the Virgin Islands has now decided to accept FEMA's offer of mobile homes as the means for providing housing to these victims. FEMA is not selling these units to the Virgin Islands; instead FEMA is directly managing the shipping and installation of these units on two group sites made available by the Virgin Islands. After the units are occupied by eligible applicants, FEMA will begin a program to sell the units directly to eligible applicants, with prices adjusted to take into account the financial ability of the purchaser.

COMMUNICATIONS WITH DISASTER VICTIMS

QUESTION: I know that one of the problems you ran into in South Carolina, especially, was the high degree of illiteracy, and the fear on the part of some that accepting FEMA aid would lead to a loss of welfare benefits. Clearly, that hampered your effort in South Carolina somewhat. How can we better deal with this situation?

ANSWER: FEMA is committed to a top-to-bottom examination of all of its strategies for communication with the public in disasters. This includes the public information, outreach, congressional relations, and telephone information hotline functions. In FEMA's view, none of these procedures worked particularly well. FEMA is also very much aware of its failure to communicate effectively with illiterates, persons who did not speak English, and certain other disadvantaged groups. This problem will receive special emphasis in the development of new public relations policies and procedures.

MOBILE HOME USE IN CALIFORNIA

QUESTION: When I visited the Santa Cruz/Watsonville area in January, I was told there were about 150 families housed in mobile homes. What is the figure today? Do you plan to sell these units? What is your national inventory now?

ANSWER: There are 150 families housed in mobile homes on five sites in Santa Cruz, Monterey, and San Benito counties. We will initiate a sales program in California to make these units available to families receiving housing assistance. We do not believe that we will be successful in selling very many units due to a severe shortage of available pads outside the floodplain. The existing parks can not be used since local government has a planned use for each site other than continuing to use the site for a mobile home park. Our current inventory of mobile homes is 1,850 units, with up to 400 being sent to the Virgin Islands to provide disaster housing to victims of Hurricane Hugo.

Congressman Lawrence Coughlin

AUDITS IN THE VIRGIN ISLANDS

QUESTION: Last Fall, I led a small delegation on a one-day tour of the devastation caused by Hurricane Hugo in Puerto Rico and the Virgin Islands. Congressman Lewis joined me on this tour of the area and we saw the damage the hurricane posed for Federal operations in Puerto Rico and the Virgin Islands.

Upon my return, I shared with the President my observations and offered several specific recommendations on the cleanup efforts in the Virgin Islands.

One of my most pressing concerns was, and remains, the accountability of the aid administered to the Virgin islands in the wake of the hurricane.

A December 13, 1989 response from FEMA, states that audits and investigations of disaster relief expenditures in the Virgin Islands may be requested by the President.

Have any audits or investigations been ordered to date?

ANSWER: No audits or investigations have been requested by the President. However, the following audits and investigations have been conducted or are in process.

On October 2, 1989, the Associate Director for State and Local Support requested audit services relating to FEMA supported activities under Hurricane Hugo. Based on that request, the OIG is currently providing audit services to:

-- Evaluate the adequacy of financial guidance FEMA provided to the Virgin Islands Government governing the administration of disaster relief programs.

-- Evaluate the internal controls in place in the Virgin Islands to account for and ensure proper use of disaster relief financial aid.

-- Evaluate, based on limited testing, the effectiveness and efficiency of the administration of selected public and individual assistance activities.

The review is scheduled for completion in June 1990 with a report issued in July 1990.

We recently completed an audit (Report # E-2-90) of disaster funds awarded to the Virgin Islands Government for activities relating to Hurricane Hugo. Under this audit a contractor received advance funds of $616,538 and upon completion of the job submitted a claim for $1.2 million. The audit disclosed questioned costs totaling $1.1 million. Specifically, the contractor did not have proper documentation to support claimed costs of $257,228 in salaries, $5,747 in materials and $810,935 in overhead charges.

Four investigations have been opened in the Virgin Islands resulting from Hurricane Hugo activities.

ALLOCATIONS TO VIRGIN ISLANDS

QUESTION: How much money is FEMA allocating to the Virgin Islands out of the emergency appropriations you received last year for Hurricane Hugo relief activities?

ANSWER: FEMA has allocated the following from the Disaster Relief Fund for use in the Hurricane Hugo recovery operations in the Virgin Islands:

Individual Assistance	$108,461,000
Public Assistance	130,000,000
Hazard Mitigation	7,000,000
Mission Assignments	55,314,000
Administrative Costs	15,000,000
TOTAL	$315,775,000

QUESTION: Would you provide us with a description of activities the funds are supporting?

ANSWER: There are numerous activities funded under the various programs being utilized in the Virgin Islands. The main ones include:

Individual Assistance - temporary housing (over 9,000 applicants are receiving assistance in the form of rental assistance, mobile homes or minimal home repair); individual and family grants (over 12,000 applicants have received assistance for personal property losses and medical expenses); crisis counseling; and disaster unemployment assistance.

Public Assistance - repair and replacement of disaster damaged public facilities (including roads, public buildings, hospitals, recreational facilities, and restoration of power and water distribution systems).

Hazard Mitigation - workshops conducted and information disseminated regarding building practices for homeowners and contractors to build homes better able to withstand future storms; study conducted and recommendations made on ways to strength the Island's power generation and distribution system, improve water distribution, fortify the local building code and provide a database for long term planning.

Mission Assignments - US Forest Service established satellite communications and provided radio systems for emergency workers; DOD provided airlift support for emergency supplies, including utility workers, equipment and materials; EPA - assessed the impact of Hurricane Hugo and provided guidelines for environmental protection and conducted water quality sampling; US Army Corps of Engineers - provided generators, repaired sewage treatment plants, restored airport warehouses, repaired prison facilities, removed storm debris, conducted damage survey reports, and is currently making permanent repairs to public housing units and building two 5 million gallon water tanks; GSA - transported portable toilets, purchased 111 generators, and provided office space, equipment and supplies; Public Health Service - provided expanded temporary field hospital and medivac services.

Administrative Costs - payroll of disaster workers, travel expenses, space and equipment rentals, transportation of supplies and equipment, and purchase of supplies.

DISASTER APPLICATIONS

QUESTION: How many applications were received at the Disaster Application Centers located throughout the islands? For the record, would you break the applications down by island (Culebra, Vieques, St. Thomas, St. John, and St. Croix)? Also, what percentages of applications were for businesses affected by the hurricane and for private relief. This can be for the record.

ANSWER: The following lists the numbers and percentages of applications for Federal assistance and business applications. FEMA does not keep records of applications for private relief.

	Number of Applications	Percentage of Businesses
Puerto Rico	182,224	8%
Culebra	509	14%
Vieques	2,464	10%
St. Thomas	8,622	25%
St. John	417	33%
St. Croix	16,139	18%

FEMA's RELATIONSHIP WITH VIRGIN ISLANDS GOVERNMENT

QUESTION: Do you have an effective working relationship with the Virgin Islands government and with Governor Farrelly's office at present? Would you discuss how this relationship has evolved from the first days after the hurricane to the present?

ANSWER: Yes. Our Disaster Field Office staff and the Governor's staff collaborate on all major issues, and work in a spirit of cooperation. However, it should be noted that due to the Virgin Islands' limited capabilities, our staff continues to provide a level of technical assistance and guidance unusual for seven months into a recovery.

The basis for the positive working relationship was established prior to the hurricane. Personnel from our region II office had provided a briefing for the Governor and his staff on FEMA's disaster assistance programs; they had also conducted training sessions for Virgin Islands officials on emergency preparedness and disaster response. The most recent was in May 1989. With relationships established and disaster response roles defined by the time the disaster struck, the FEMA and Territory officials operated in a cooperative, albeit stressed, environment from the first days of the disaster response. The positive relationship has persisted throughout the response and recovery operation.

DISASTER RELIEF IN VIRGIN ISLANDS VERSUS SOUTH CAROLINA

QUESTION: How would you characterize your experience with disaster relief and the Virgin Islands with that of your experience in South Carolina?

ANSWER: FEMA's disaster recovery operations in the Virgin Islands were very complex from the moment Hurricane Hugo struck the Islands. The devastation was nearly total, especially on St. Croix. Hurricane Hugo knocked out the entire electrical and telephone systems on St. Croix, and destroyed or seriously damaged 90 percent of the buildings on the Island. In addition, the outbreak of looting and general lawlessness in the wake of the storm created a need for the influx of security personnel, and a concern for the safety of the citizens and relief workers on the Island. Air control towers at the airports on St. Croix and St. Thomas were destroyed by the storm, and temporary structures had to be brought in before air traffic could be restored. The fact that the devastated area was an island, and not part of the coterminous U.S., also complicated recovery efforts as transportation of supplies and people began.

The most basic of human needs had to be supplied to the Virgin Islands citizens in the weeks after Hurricane Hugo. Water plants were unable to operate and pumps at water cisterns were inoperable because of the lack of electrical power on St. Croix, St. Thomas, and St. Johns. All medical supplies in warehouses on St. Croix were condemned. And much of the food that was still edible after the storm was taken by looters in the days following Hugo.

In South Carolina the devastation was massive, but not as catastrophic as that suffered in the Virgin Islands. Power outages, food shortages, and water shortages could be corrected more quickly because of the fact that work crews, and supplies, were easier to get in and out of South Carolina than the Virgin Islands.

A complicating factor in the South Carolina recovery was the criticism by some Government officials and the media and inaccurate reporting by the media. A lack of understanding of what FEMA can and cannot do, and the procedures it must follow in disaster recovery operations, was behind much of the criticism and reporting. Unfortunately this criticism and reporting lead to unreasonable expectations on the part of the citizens who had been victimized by Hurricane Hugo.

FEDERAL EMERGENCY MANAGEMENT AGENCY

JUSTIFICATION OF ESTIMATES FISCAL YEAR 1991

SALARIES AND EXPENSES
EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
NATIONAL FLOOD INSURANCE FUND
NATIONAL INSURANCE DEVELOPMENT FUND
EMERGENCY FOOD AND SHELTER
OFFICE OF THE INSPECTOR GENERAL
DISASTER RELIEF FUND

SUBMITTED TO CONGRESS / JANUARY 1990

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FISCAL YEAR 1991

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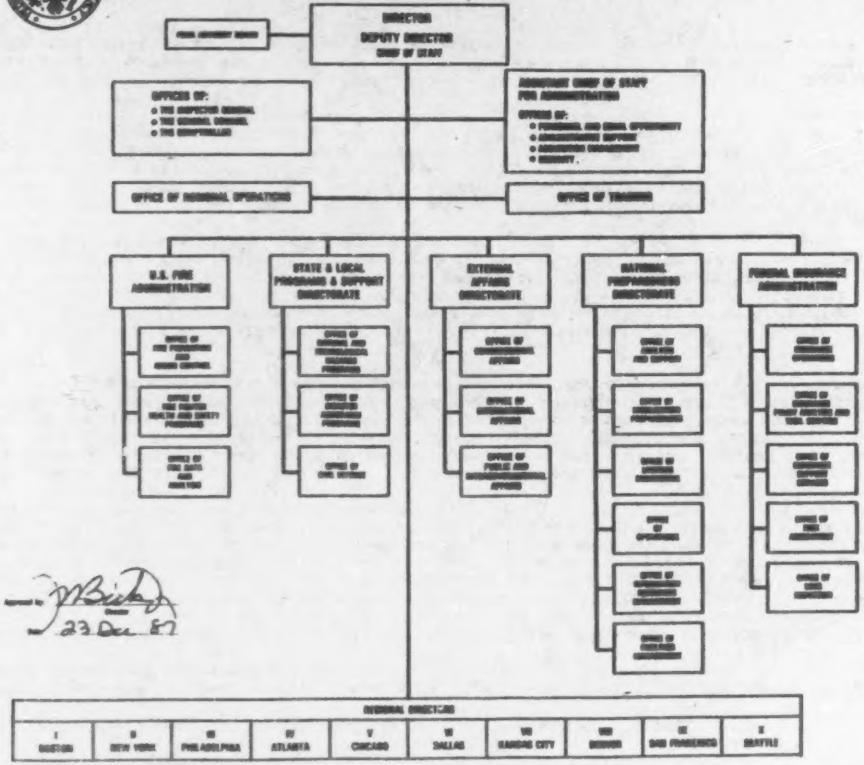
ORGANIZATION
FEDERAL EMERGENCY MANAGEMENT AGENCY


DIRECTOR
DEPUTY DIRECTOR
CHIEF OF STAFF
OFFICES OF:
ASSISTANT CHIEF OF STAFF FOR ADMINISTRATION
OFFICES OF:
OFFICE OF REGIONAL OPERATIONS
OFFICE OF TRAINING
U.S. FIRE ADMINISTRATION
STATE & LOCAL PROGRAMS & SUPPORT DIRECTORATE
EXTERNAL AFFAIRS DIRECTORATE
NATIONAL PREPAREDNESS DIRECTORATE
FEDERAL INSURANCE ADMINISTRATION
REGIONAL DIRECTORS
I BOSTON
II NEW YORK
III PHILADELPHIA
IV ATLANTA
V CHICAGO
VI DALLAS
VII KANSAS CITY
VIII DENVER
IX SAN FRANCISCO
X SEATTLE

Approved by: Director
Date: 23 Dec 87

Distribution: H(AllPersHqFld)

FEATURES OF THE 1991 REQUEST FOR THE FEDERAL EMERGENCY MANAGEMENT AGENCY

The Federal Emergency Management Agency carries out a wide range of program responsibilities for emergency planning, preparedness, response, and recovery, as well as hazard mitigation.

Continuing the trend of the past several years, FEMA's 1991 request, in general, maintains most programs at or below their 1990 enacted levels. Modest, specific increases in Civil Defense, the National Earthquake Program, and Management and Administration are partly offset by decreases in Federal Preparedness and the Training and Fire Programs. In its operating accounts, FEMA requests an overall increase of less than 2%, or $8 million, of which roughly 60% is for Salaries and Expenses. This increase includes funds to support FEMA's full complement of requested workyears, to provide for specific initiatives such as earthquake preparedness, and to partly offset uncontrollable cost increases, including GSA rent increases, the 3-month 1991 cost of the 1990 pay increase (not annualized into 1991), and half the estimated 1991 costs of 1991 pay increases for GS, GM, SES, and Executive level employees.

Changes to Structure: The 1991 request contains three fairly minor restructurings at the budget activity level. FEMA proposes to group the Hazardous Materials program with the Radiological Emergency Preparedness program into the budget activity Technological Hazards. This restructure is based on commonality of content, and will not affect the identity of either program. The budget activity previously named Earthquake and Other Hazards no longer includes the HAZMAT program, and has been renamed National Earthquake Program and Other Hazards. And the two budget activities funded by transfer of balances from the National Flood Insurance Fund have been combined into one activity, Flood Insurance and Mitigation, again with no impact on program identity.

"Base" for 1991: FEMA's 1991 request starts from a 1990 activity level adjusted downward by both the 1.55% across-the-board reduction and the full Gramm-Rudman-Hollings sequester. This base was then adjusted upwards to reflect non-pay inflation and part of the impact of the 1990 pay raise (consistent with the Administration's government-wide policy on the pay raise). Accommodating these reductions while, at the same time, adequately funding program priorities, required reordering of program and element resources within activity ceilings both in 1990 and 1991. The relationship between the 1991 base and 1990 current estimate is therefore less direct than in the past.

Highlights: In operating programs, increases in both staff and funding in the National Earthquake Program will expand FEMA's activities under that National Earthquake Hazards Reduction Plan, including the development of a program to identify, train, equip, and mobilize search and rescue teams at the State and local level, for response to extraordinary disasters. In Civil Defense, increases focus on provision of warning and communications equipment to States and localities, and on population protection. The request continues student travel and lodging stipends at the existing level, and increases funding for the Fire Prevention/Arson Control and Firefighter Health and Safety programs of the U. S. Fire Administration.

In the Inspector General appropriation, increases to both funding and staff levels are requested, reflecting the Administration's emphasis on Government management and integrity. The request assumes a "normal disaster year" (average of annual obligations, 1981 - 1988) for the Disaster Relief Fund, and therefore repeats the 1989 and 1990 requests for $270 million, a 77% decrease from the amount appropriated in 1990. The Emergency Food and Shelter request level is the uninflated 1991 base, as described above.

Civil Defense. FEMA's 1991 request for activities authorized under the Federal Civil Defense Act of 1950, as amended, totals 388 workyears and $154,117,000. This request level prioritizes the development of capabilities which will yield the highest lifesaving return: survivable crisis management and population protection. The Civil Defense program continues its emphasis on the development of dual-use capabilities and on the objectives of the program established in the 1987 Presidential directive.

National Earthquake Program and Other Hazards. This activity includes FEMA's lead-agency responsibilities under the National Earthquake Hazards Reduction Act, as well as smaller programs to support State and local development of capabilities to mitigate the hazards of, prepare for, and respond to hurricanes and unsafe dams. The request for 1991 totals $16,050,000 and 58 workyears, an increase of $4,366,000 and 12 workyears which will allow for enhancement of all FEMA NEHRP activities, including development of State and local search and rescue teams to be mobilized in response to extraordinary disaster.

Technological Hazards. This activity includes FEMA's two technological-hazards programs, Radiological Emergency Preparedness, which provides for the execution of FEMA's responsibilities in connection with off-site emergency planning around nuclear facilities, and Hazardous Materials, which provides for FEMA participation in interagency efforts toward improving Federal, State, and local response to hazardous materials incidents. The 1991 request totals 117 workyears and $11,262,000, which will allow for continued support to State and local governments in offsite emergency response planning around nuclear facilities in the REP program, and will provide modest increases for technical assistance and some exercise support to State and local governments in the HAZMAT program.

Federal Preparedness. These programs are designed to ensure that the Nation will be able to respond to, manage, and recover from domestic and national security emergencies. The 1991 request for this activity totals $160,275,000 and 977 workyears, a decrease of $1,221,000.

Training and Fire Programs. Resources of this activity prepare Federal, State, and local officials, their supporting staffs, emergency first responders, volunteer groups, and the public to meet the responsibilities and challenges of domestic emergencies through planning, mitigation, preparedness, response, and recovery. The 1991 request for this activity is for $21,542,000 and 109 workyears, an decrease of $2,611,000 and 3 workyears. The request features modest increases to two U. S. Fire Administration programs (Fire Prevention/Arson Control and Firefighter Health and Safety), continues student travel and lodging stipends at their current levels, and assumes no continuation of SARA Title III grant funding and associated workyears.

Flood Insurance and Mitigation. This activity includes both the Insurance Activities program, which provides the administrative resources for the National Flood Insurance Fund, and the Flood Plain Management program, which supports the mitigation of known flood hazards through identification of flood hazards and assistance to communities in the flood plain management activities necessary to reduce flood losses. Funding for this activity will be derived from a transfer of unobligated balances from the National Flood Insurance Fund. The 1991 request totals $56,100,000 and 203 workyears, an increase of $2,343,000 to restore funding for the Section 1362 Purchase of Property program.

Disaster Relief Administration. This activity provides the resources necessary to manage the Disaster Relief Fund. The 1991 request includes 233 workyears and $11,647,000, an increase of $393,000 over 1990.

Emergency Food and Shelter (S&E). This activity provides administrative costs for the Emergency Food and Shelter program. For 1991, 6 workyears and $240,000 are requested, a decrease of $3,000 from 1990.

Management and Administration. This activity provides administrative support for the Agency's programs, and pays for such common costs as rent, supplies, and telephone service. The 1991 request of $45,243,000 and 467 workyears includes increases to improve handicapped accessibility, to begin long-term improvement of the Agency's financial management systems, to allow for legal activities in the areas of subrogation, claims collection, and support to the FEMA Inspector General, and to implement a drug-testing program, as well as to pay for GSA rent increases.

Office of the Inspector General. This appropriation provides advice, assistance, and oversight on matters relating to economy and efficiency and the prevention and detection of fraud, abuse, and mismanagement in Agency programs and operations. The 1991 request of 60 workyears and $3,905,000 includes an increase of 13 workyears and $1,342,000 to support the expansion of duties inherent in the creation of a statutory FEMA Inspector General.

National Insurance Development Fund. This fund is the vehicle for funding the Federal Crime Insurance Program, which is currently authorized through September 30, 1991. Six workyears and $12,127,000 in borrowing authority are requested to support this program in 1991.

National Flood Insurance Fund. The National Flood Insurance Program enables property owners to purchase flood insurance otherwise unavailable in the commercial market. In return for the availability of insurance, communities agree to adopt and enforce flood plain management measures to reduce loss of life and property from future flooding. The program continues to be self-supporting for the average loss year.

Disaster Relief Fund. This fund provides the basis for the President to authorize Federal assistance, in accordance with the provisions of the Stafford Disaster Relief and Emergency Assistance Act, to individuals and to State and local jurisdictions where a major disaster or emergency has been declared. The 1991 request assumes a normal disaster year, and requests the eight-year average of annual obligations, based on the period 1981-1988, or a level of $270,000,000. This represents a prudent annual appropriation level for this fund, and is intended to provide for the expectable occurrence of non-catastrophic disasters and emergencies.

Emergency Food and Shelter. This program channels emergency support to the homeless through a National Board of major private charities. The 1991 request totals $124,991,000, a decrease of $5,101,000 from 1990.

User Fees: In keeping with the Administration's emphasis on the collection of user fees, the FEMA request proposes user fees in three areas. The full recoupment of direct expenses of the Radiological Emergency Preparedness program from the utility companies serviced in the licensing process is proposed, as is the recoupment of the costs of the Flood Insurance and Mitigation programs from policyholders. A partial user fee is proposed for students at the National Emergency Training Center, who would pay a student registration fee of $25 a week. Revenues from the student fees and REP direct costs are intended to be deposited directly in the Treasury; revenues from the Flood programs are intended to be deposited in the National Flood Insurance Fund.

BASIC AUTHORITIES
FEDERAL EMERGENCY MANAGEMENT AGENCY
BUDGET ESTIMATES FOR 1991

The Federal Emergency Management Agency (FEMA) was established by the President in Reorganization Plan No. 3 of 1978. The Agency operates under various statutory and executive authorities to carry out a wide range of program responsibilities for emergency planning, preparedness, response and recovery, and hazard mitigation. These include the following:

- Under the Federal Civil Defense Act of 1950, as amended, responsibility for administering a national program for population protection preparedness and response in emergency conditions.
- Under the Earthquake Hazards Reduction Act of 1977, programs designed to identify and reduce earthquake vulnerabilities and consequences.
- Under Executive Order 12148, responsibility for oversight of the national dam safety program.
- In accordance with provisions of the Nuclear Regulatory Commission (NRC) 1980 Appropriations Act and other statutes, Executive Order 12657, and by Presidential directive, responsibility for offsite emergency preparedness for fixed nuclear facilities.
- Under the National Security Act of 1974, as amended, and the Defense Production Act of 1950, as amended, programs to provide for continuity of government as well as emergency resources assessment, management, and recovery.
- Under the Federal Fire Prevention and Control Act of 1974, programs to reduce national fire loss, including training and education.
- Under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, administration of a national program to provide flood insurance and to encourage better flood plain management.
- Under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, programs to provide assistance to individuals and State and local governments in Presidentially-declared major disaster or emergency areas.
- Under the Inspector General Act of 1978, as amended, agencywide audit and investigative functions to identity and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste and mismanagement.

FEDERAL EMERGENCY MANAGEMENT AGENCY
Appropriation Overviews

Salaries and Expenses. This appropriation encompasses the salaries and expenses required to provide executive direction, overhead expenses such as rent, and administrative and staff support to FEMA's programs in both the Headquarters and field offices.

Emergency Management Planning and Assistance. This appropriation provides program resources for the following activities: Civil Defense, National Earthquake Program and Other Hazards, Technological Hazards, Federal Preparedness, and Training and Fire Programs.

Office of the Inspector General. This appropriation provides Agency-wide audit and investigative functions, to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement.

National Insurance Development Fund. This fund is used as the vehicle for the funding of the Federal Crime Insurance Program. It receives deposits from crime insurance premiums and other receipts.

National Flood Insurance Fund. This fund is used as the funding mechanism for the National Flood Insurance Program (NFIP), which enables property owners to purchase flood insurance otherwise unavailable on the commercial market. In return for the availability of insurance, communities agree to adopt and enforce flood plain management measures. It also funds, through transfer of unobligated balances, the Flood Insurance and Mitigation programs which support both parts of this effort.

Disaster Relief. From this appropriation, supplementary assistance is provided to individuals and State and local governments in the event of a Presidentially-declared emergency or major disaster.

Emergency Food and Shelter. This appropriations provides grants through a National Board of major private charities to voluntary organizations at the local level to supplement their programs for emergency food and shelter for the homeless.

FEDERAL EMERGENCY MANAGEMENT AGENCY
Appropriation and Outlay Summary
(Dollars in Thousands)

APPROPRIATIONS

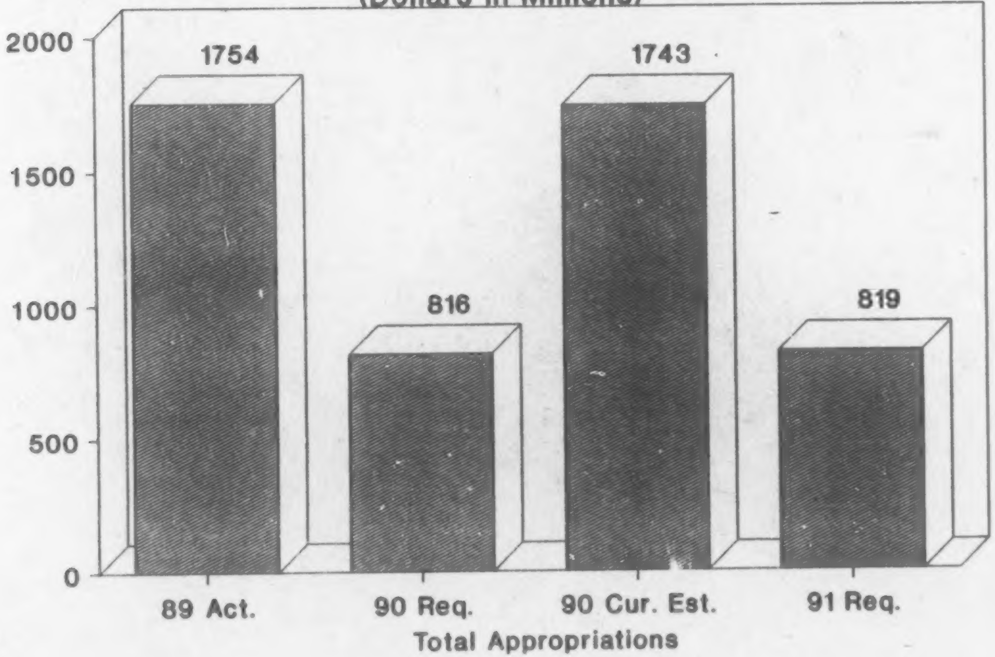
	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Salaries and Expenses	$137,274	$141,329	$138,572	$143,334	$4,762
Emergency Management Planning and Assistance	282,403	268,505	273,643	277,042	3,399
National Insurance Development Fund	...	...	...	...	...
National Flood Insurance Fund	...	...	...	...	...
Disaster Relief Fund	1,208,000	270,000	1,198,450	270,000	(928,450)
Emergency Food and Shelter	126,000	134,000	130,092	124,991	(5,101)
Office of the Inspector General	...	2,439	2,563	3,905	1,342
Total, Obligations	1,753,677	816,273	1,743,320	819,272	(924,048)

OUTLAYS

	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Salaries and Expenses	151,036	151,603	149,197	154,301	5,104
Emergency Management Planning and Assistance	313,822	313,239	320,829	323,894	3,065
National Insurance Development Fund	13,725	17,045	13,599	12,348	(1,251)
National Flood Insurance Fund	(212,134)	(39,697)	(115,956)	(160,349)	(44,393)
Disaster Relief Fund	140,316	236,000	1,240,000	1,164,865	(75,135)
Emergency Food and Shelter	124,663	134,000	136,474	124,991	(11,483)
Office of the Inspector General	...	2,438	2,358	3,798	1,440
Bequests and Gifts (Disaster Relief)	...	50	50	50	...
Gifts and Bequests, Fire Administration	...	...	1	...	(1)
Offsetting Receipts (Bequests and Gifts)	66	(58)	(38)	(71)	(33)
Total, Outlays	531,494	814,620	1,746,514	1,623,827	(122,687)

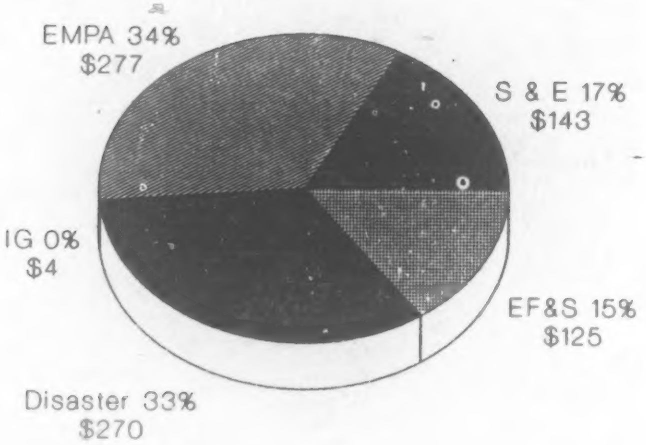
Comparison of Appropriation Levels
FY 1989 Through FY 1991

(Dollars in Millions)



FY 1991 Request by Appropriation

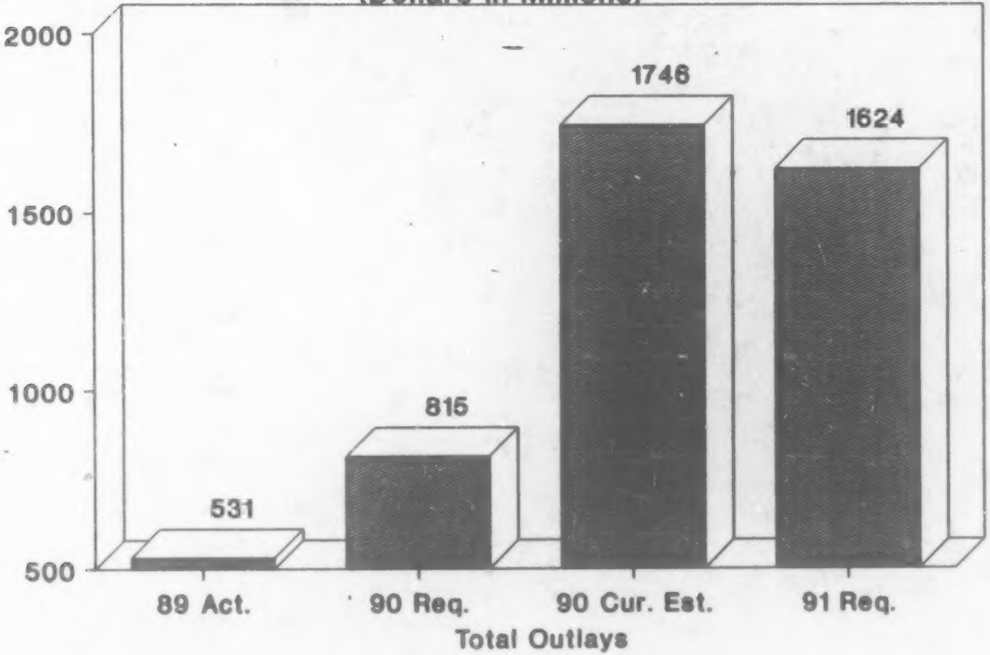
(Dollars in Millions)

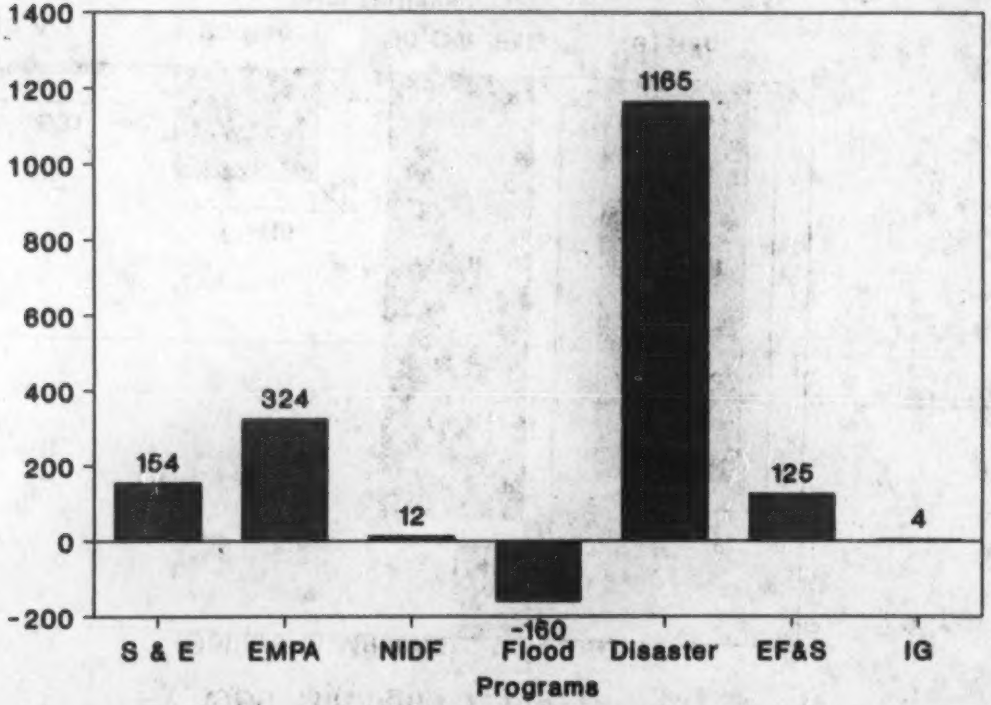


Appropriations ($819)

Comparison of Outlay Levels FY 1989 Through FY 1991

(Dollars in Millions)





FY 1991 Outlays by Appropriation
(Dollars in Millions)

Total Outlays = $1,624

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Request to Congress by Program
(Dollars in Thousands)

	1989 Actual				1990 Request				1990 Second Operating Plan				1991 Request				Increase/Decrease			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Civil Defense																				
A. State and Local Emergency Management																				
1. Emergency Management Assistance..	53	$2,690	$58,116	$60,806	54	$2,744	$59,123	$61,867	54	$2,954	$60,182	$63,136	54	$2,962	$60,128	$63,090	0	8	(54)	(46)
2. Other S&L Emergency Mgmt.........	15	761	2,129	2,890	20	954	2,500	3,454	20	1,027	2,279	3,306	20	1,098	2,160	3,258	0	71	(119)	(48)
Subtotal, S&L Emerg. Mgmt........	68	3,451	60,245	63,696	74	3,698	61,623	65,321	74	3,981	62,461	66,442	74	4,060	62,288	66,348	0	79	(173)	(94)
B. Radiological Defense																				
1. Planning & Development...........	5	225	2,896	3,121	5	257	3,067	3,324	5	257	3,006	3,263	5	273	3,006	3,279	0	16	0	16
2. Instrumentation..................	18	812	8,799	9,611	18	924	9,700	10,624	18	927	8,217	9,144	18	992	8,999	9,991	0	65	782	847
Subtotal, Radiological Defense...	23	1,037	11,695	12,732	23	1,181	12,767	13,948	23	1,184	11,223	12,407	23	1,265	12,005	13,270	0	81	782	863
C. Population Protection																				
1. Population Protection Planning...	59	2,874	8,240	11,114	61	3,104	8,400	11,504	61	3,385	7,957	11,342	61	3,333	8,400	11,733	0	(52)	443	391
2. Facility Survey, Eng. & Dev.......	29	1,412	3,749	5,161	29	1,502	3,918	5,420	29	1,636	2,878	4,514	29	1,556	3,918	5,474	0	(80)	1,040	960
3. Family Protection................	0	0	510	510	0	0	525	525	0	0	278	278	0	0	525	525	0	0	247	247
Subtotal, Population Protection..	88	4,286	12,499	16,785	90	4,606	12,843	17,449	90	5,021	11,113	16,134	90	4,889	12,843	17,732	0	(132)	1,730	1,598
D. S & L Direction, Control and Warning																				
1. Emergency Operating Centers......	15	748	4,720	5,468	15	804	5,000	5,804	15	804	4,824	5,628	15	831	5,000	5,831	0	27	176	203
2. State & Local Wrng. & Com. Sys...	10	499	859	1,358	10	519	1,150	1,669	10	518	1,116	1,634	10	546	3,150	3,696	0	28	2,034	2,062
3. Emrg. Broadcast Sys. Guid. & Asst	10	499	3,660	4,159	10	545	5,061	5,606	10	545	3,807	4,352	10	576	3,700	4,276	0	31	(107)	(76)
4. Other S&L Direct., Control & Wrng	4	200	1,461	1,661	5	260	2,100	2,360	5	260	1,908	2,168	5	273	3,000	3,273	0	13	1,092	1,105
Subtotal, S&L Dir., Cntrl. & Wrng	39	1,946	10,700	12,646	40	2,128	13,311	15,439	40	2,127	11,655	13,782	40	2,226	14,850	17,076	0	99	3,195	3,294

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Request to Congress by Program
(Dollars in Thousands)

	1989 Actual				1990 Request				1990 Second Operating Plan				1991 Request				Increase/Decrease			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
E. Research																				
1. Research	0	[illegible]	[illegible]	[illegible]	0	[illegible]	[illegible]	[illegible]	0	[illegible]	[illegible]	[illegible]	0	[illegible]	[illegible]	[illegible]	0	[illegible]	[illegible]	[illegible]
2. Systems Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Systems Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Policy and Planning	9	406	581	987	10	587	600	1,187	10	621	543	1,164	10	611	600	1,211	0	(10)	57	47
Subtotal, Research	9	406	581	987	10	587	600	1,187	10	621	543	1,164	10	611	600	1,211	0	(10)	57	47
F. Training and Education																				
1. Instructional Progs. & Materials.	5	225	641	866	5	263	871	1,134	5	277	816	1,093	5	290	700	990	0	13	(116)	(103)
2. Training Field Deployment System	17	764	5,451	6,215	17	915	5,700	6,615	17	897	5,600	6,497	17	996	5,464	6,460	0	99	(136)	(37)
3. Resident Programs	23	1,043	1,820	2,863	23	1,255	1,499	2,754	23	1,230	1,698	2,928	23	1,332	1,743	3,075	0	102	45	147
4. NETC Site Administration	16	719	1,830	2,549	0	0	0	0	16	638	1,713	2,351	16	568	1,750	2,318	0	(70)	37	(33)
5. Emergency Public Information	0	0	1,946	1,946	1	43	1,815	1,858	1	42	1,478	1,520	1	55	1,315	1,370	0	13	(163)	(150)
Subtotal, Training & Education	61	2,753	11,686	14,439	46	2,476	9,885	12,361	62	3,084	11,305	14,389	62	3,241	10,972	14,213	0	157	(333)	(176)
G. Telecommunications and Warning																				
1. National Warning System	19	780	5,973	6,753	20	966	7,352	8,318	20	952	7,245	8,197	20	1,073	7,500	8,573	0	121	255	376
2. Washington Area Warning System	1	41	568	609	1	51	151	202	1	50	300	350	0	0	0	0	(1)	(50)	(300)	(350)
3. FEMA Switched Network	12	495	3,425	3,920	15	677	3,623	4,300	15	668	3,476	4,144	16	860	3,164	4,024	1	192	(312)	(120)
4. FEMA National Radio System	25	1,027	4,154	5,181	25	1,253	3,988	5,241	25	1,236	3,476	4,712	25	1,372	3,450	4,822	0	136	(26)	110
5. Information Systems Support Serv.	13	534	2,799	3,333	14	703	2,880	3,583	14	693	4,272	4,965	14	754	3,606	4,360	0	61	(666)	(605)
6. U.S. Army Civil Prepdns. Detach.	5	205	1,045	1,250	5	232	1,045	1,277	5	229	1,002	1,231	5	274	1,045	1,319	0	45	43	88
7. DOD Reimbursable Support	0	0	621	621	0	0	645	645	0	0	622	622	0	0	645	645	0	0	23	23
Subtotal, Tele. & Warning	75	3,082	18,582	21,662	80	3,882	19,684	23,566	80	3,828	20,611	24,439	80	4,333	19,428	23,761	0	505	(1,183)	(678)
H. Automatic Data Processing (S&E)	9	1,679	0	1,679	9	2,134	0	2,134	9	540	0	540	9	506	0	506	0	(34)	0	(34)
Subtotal, Civil Defense	372	18,628	125,598	144,226	372	20,702	130,833	151,535	388	20,386	128,911	149,297	388	21,131	132,986	154,117	0	745	4,075	4,820

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Request to Congress by Program
(Dollars in Thousands)

	1989 Actual				1990 Request				1990 Second Operating Plan				1991 Request				Increase/Decrease			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Nat'l Earthquake Program & Other Hazards																				
A. National Earthquake Program	23	$1,368	$4,432	$5,800	23	$1,603	$4,030	$5,633	23	$1,562	$7,547	$9,109	35	$2,910	$10,510	$13,420	12	$1,348	$2,963	$4,311
B. Hurricane	5	241	896	1,137	5	247	831	1,078	5	244	871	1,115	5	251	896	1,147	0	7	25	32
C. Dam Safety	3	125	432	557	3	129	432	561	3	125	420	545	3	131	432	563	0	6	12	18
D. Hazard Mitigation Assistance	2	96	190	286	2	100	200	300	2	98	233	331	2	101	200	301	0	3	(33)	(30)
E. Policy and Planning	12	598	0	598	13	605	0	605	13	584	0	584	13	619	0	619	0	35	0	35
Subtotal, EQ & Other Hazards	45	2,428	5,950	8,378	44	2,682	5,493	8,175	46	2,613	9,071	11,684	58	4,012	12,038	16,050	12	1,399	2,967	4,366
Technological Hazards																				
A. Radiological Emergency Preparedness	78	3,802	4,924	8,726	94	4,431	5,688	10,119	95	4,718	5,031	9,749	95	4,800	4,760	9,560	0	82	(271)	(189)
B. Hazardous Materials	15	683	199	882	15	752	200	952	22	1,066	291	1,357	22	1,111	591	1,702	0	45	300	345
Subtotal, Tech Hazards	93	4,485	5,123	9,608	109	5,183	5,888	11,071	117	5,784	5,322	11,106	117	5,911	5,351	11,262	0	127	29	156
Federal Preparedness																				
A. Government Preparedness																				
1. Government Preparedness	812	44,945	123,539	168,484	901	46,649	109,306	155,955	901	45,798	107,582	153,380	901	45,669	106,447	152,116	0	(129)	(1,135)	(1,264)
Subtotal, Govt. Preparedness	812	44,945	123,539	168,484	901	46,649	109,306	155,955	901	45,798	107,582	153,380	901	45,669	106,447	152,116	0	(129)	(1,135)	(1,264)
B. Emerg. Info. & Coordination Center																				
1. EICC	6	178	470	648	8	307	500	807	8	303	492	795	8	365	500	865	0	62	8	70
Subtotal, EICC	6	178	470	648	8	307	500	807	8	303	492	795	8	365	500	865	0	62	8	70
C. Mobilization Preparedness																				
1. Mobilization Resources	15	735	672	1,407	14	795	750	1,545	14	783	738	1,521	14	805	750	1,555	0	22	12	34
2. Mobilization Systems	11	718	449	1,167	12	782	501	1,283	12	770	493	1,263	12	694	501	1,195	0	(76)	8	(68)
3. Mobilization Assessment	13	610	878	1,488	13	662	980	1,642	13	652	965	1,617	13	740	980	1,720	0	88	15	103
Subtotal, Mobilization Prep.	37	2,063	1,999	4,062	39	2,239	2,231	4,470	39	2,205	2,196	4,401	39	2,239	2,231	4,470	0	34	35	69

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Request to Congress by Program
(Dollars in Thousands)

	1989 Actual				1990 Request				1990 Second Operating Plan				1991 Request				Increase/Decrease			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
B. Federal Readiness & Coordination																				
1. National Security Emergency Prep.	6	[illegible]	80	[illegible]	6	[illegible]	80	[illegible]	6	[illegible]	80	[illegible]	6	[illegible]	80	[illegible]	0	[illegible]	80	[illegible]
2. Plans & Authorities	13	770	448	1,218	14	808	500	1,308	14	855	462	1,317	14	784	500	1,284	0	(71)	8	(63)
3. Exercises	7	497	626	1,123	8	487	499	1,306	8	398	685	1,288	8	631	497	1,138	0	(167)	11	(156)
4. Nat. Defense Executive Reserve	1	51	0	51	1	51	0	51	1	51	0	51	1	56	0	56	0	5	0	5
Subtotal, Mobilization Prep.	27	1,338	1,075	2,452	29	1,766	1,199	2,965	29	1,760	1,188	2,928	29	1,625	1,197	2,824	0	(115)	19	(96)
Subtotal, Federal Preparedness	882	48,714	127,082	175,826	977	50,961	113,236	164,197	977	50,046	111,430	161,476	977	49,898	110,377	160,275	0	(148)	(1,073)	(1,221)
Training and Fire Programs																				
A. Emergency Management Institute																				
1. Instructional Progs. & Materials	0	0	1,050	1,050	0	0	1,145	1,145	0	0	1,211	1,211	0	0	1,188	1,188	0	0	(23)	(23)
2. Training Field Deployment Systems	0	0	439	439	0	0	495	495	3	118	4,250	4,368	0	0	880	880	(3)	(118)	(3,370)	(3,488)
3. Resident Program	7	390	1,096	1,486	9	415	760	1,175	9	409	1,186	1,595	9	396	1,032	1,438	0	(13)	(154)	(157)
4. NETC Site Administration	0	0	312	312	0	0	0	0	0	0	194	194	0	0	204	204	0	0	10	10
Subtotal, EMI	7	390	3,102	3,495	9	415	2,399	2,814	12	527	6,981	7,308	9	396	3,274	3,670	(3)	(131)	(3,707)	(3,838)
B. National Fire Academy																				
1. Instructional Progs. & Materials	5	239	727	966	5	273	790	1,063	5	369	1,241	1,610	15	616	1,501	2,117	10	247	160	407
2. Training Field Deployment Systems	6	383	1,354	1,737	8	437	1,688	2,125	9	430	906	1,286	9	330	770	1,100	0	(93)	(134)	(227)
3. Resident Program	20	1,342	1,998	3,340	28	1,317	930	2,247	20	1,297	1,976	3,273	23	990	2,155	3,145	(3)	(307)	179	(128)
4. NETC Site Administration	34	1,688	2,776	4,466	0	0	0	0	34	1,407	2,971	4,378	29	1,453	2,984	4,437	(5)	46	(167)	(121)
Subtotal, NFA	75	3,552	6,855	10,447	41	2,027	3,406	5,433	76	3,653	7,192	10,845	76	3,444	7,230	10,674	0	(9)	28	19

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Request to Congress by Program
(Dollars in Thousands)

	1989 Actual				1990 Request				1990 Second Operating Plan				1991 Request				Increase/Decrease			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
C. U.S. Fire Administration																				
1. Fire Prevention and Arson Control	4	$206	$2,846	$3,052	2	$236	$592	$828	8	$316	$2,900	$3,216	7	$350	$3,258	$3,608	(1)	$34	$358	$392
2. Fed. Fire Policy & Coordination..	5	258	335	593	6	205	238	443	6	316	343	659	7	364	345	709	1	48	2	50
3. Firefighter Health and Safety....	3	155	345	500	4	196	400	596	4	271	404	675	6	299	1,099	1,398	2	28	695	723
4. Fire Data and Analysis...........	6	309	893	1,202	6	326	900	1,226	6	181	874	1,055	4	199	887	1,086	(2)	18	13	31
5. NETC Site Administration.........	0	0	200	200	0	0	0	0	0	0	195	195	0	0	197	197	0	0	2	2
Subtotal, USFA....................	18	928	4,619	5,547	18	963	2,130	3,093	24	1,084	4,716	5,800	24	1,212	5,786	6,998	0	128	1,070	1,198
D. NETC Site Administration																				
1. Site Administration..............	0	0	0	0	90	2,201	4,900	7,101	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal, Training & Fire Programs..	100	4,910	14,577	19,487	118	5,626	13,035	18,661	112	5,264	18,889	24,153	109	5,252	16,290	21,542	(3)	(12)	(2,599)	(2,611)
Flood Insurance and Mitigation **																				
A. Flood Plain Management **																				
1. Flood Studies and Surveys.........	57	2,795	36,556	39,351	58	(2,851)	(36,283)	(39,134)	58	(2,851)	(36,283)	(39,134)	58	(2,938)	(36,283)	(39,221)	0	(87)	0	(87)
2. Flood Hazard Reduction............	84	4,120	3,776	7,896	85	(4,176)	(4,020)	(8,196)	85	(4,176)	(4,020)	(8,196)	85	(4,293)	(4,020)	(8,313)	0	(117)	0	(117)
3. Purchase of Property..............	6	294	921	1,215	6	(294)	0	(294)	6	(294)	(2,720)	(3,014)	6	(303)	(4,720)	(5,023)	0	(9)	(2,000)	(2,009)
Subtotal, Flood Plain Management....	147	7,209	41,253	48,462	149	(7,321)	(40,303)	(47,624)	149	(7,321)	(43,023)	(50,344)	149	(7,534)	(45,023)	(52,557)	0	(213)	(2,000)	(2,213)
B. Insurance Activities (S&E).**........	50	2,955	0	2,955	54	(3,413)	0	(3,413)	54	(3,413)	0	(3,413)	54	(3,544)	0	(3,544)	0	(131)	0	(131)
Subtotal, Flood Ins & Mitigation.**..	197	10,164	41,253	51,417	203	(10,734)	(40,303)	(51,037)	203	(10,734)	(43,023)	(53,757)	203	(11,078)	(45,023)	(56,101)	0	(344)	(2,000)	(2,344)
Disaster Relief Administration (S&E)...	221	10,274	0	10,274	253	10,375	0	10,375	233	11,254	0	11,254	233	11,647	0	11,647	0	393	0	393
Emergency Food & Shelter (S&E).........	4	148	0	148	6	250	0	250	6	243	0	243	6	240	0	240	0	(3)	0	(3)
SUBTOTAL, EMERG. PLNG. ASSIST. & SUP...	1,914	99,773	319,583	419,356	2,064	95,777	268,505	364,282	2,082	95,590	273,643	369,233	2,091	98,091	277,042	375,133	9	2,501	3,399	5,900
Management and Administration..........	475	44,686	0	44,686	465	45,552	0	45,552	444	42,982	0	42,982	447	45,243	0	45,243	3	2,261	0	2,261
TOTAL, FEMA OPERATING PROGRAMS AND MANAGEMENT & ADMINISTRATION....	2,389	144,459	319,583	464,042	2,529	141,329	268,505	409,834	2,526	138,572	273,643	412,215	2,538	143,334	277,042	420,376	12	4,762	3,399	8,161

** Flood program dollar figures are shown in parentheses for 1990 and 1991 for comparison purposes, and are not included in totals.

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Request to Congress by Program
(Dollars in Thousands)

	1989 Actual				1990 Request				1990 Second Operating Plan				1991 Request				Increase/Decrease			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Management and Administration																				
A. Office of the Director..............	6	$362	$0	$362	6	$400	$0	$400	6	$479	$0	$479	6	505	0	$505	0	26	0	$26
B. General Counsel....................	20	1,163	0	1,163	21	1,252	0	1,252	20	1,207	0	1,207	23	1,630	0	1,630	3	423	0	423
C. Inspector General..................	42	2,185	0	2,185	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D. Chief of Staff's Office............	4	262	0	262	5	299	0	299	13	680	0	680	5	317	0	317	(8)	(363)	0	(363)
E. Security...........................	15	1,392	0	1,392	15	1,309	0	1,309	15	1,295	0	1,295	15	1,311	0	1,311	0	16	0	16
F. Acquisition Management.............	35	1,680	0	1,680	37	1,704	0	1,704	37	1,666	0	1,666	37	1,687	0	1,687	0	21	0	21
G. Personnel & Equal Opportunity......	66	2,900	0	2,900	85	3,837	0	3,837	89	4,371	0	4,371	89	4,949	0	4,949	0	578	0	578
H. Comptroller........................	88	4,746	0	4,746	91	4,590	0	4,590	77	3,644	0	3,644	77	4,445	0	4,445	0	801	0	801
I. Program Analysis and Evaluation.....													8	306	0	306	8	306	0	306
J. Administrative Support Staff........	58	2,174	0	2,174	61	2,200	0	2,200	61	2,182	0	2,182	61	2,217	0	2,217	0	35	0	35
K. Other Administrative Expenses																				
1. RENT..............................	0	8,932	0	8,932	0	10,157	0	10,157	0	9,094	0	9,094	0	9,400	0	9,400	0	306	0	306
2. Other.............................	0	4,314	0	4,314	0	4,495	0	4,495	0	3,570	0	3,570	0	3,570	0	3,570	0	0	0	0
L. Information Services																				
1. Information Systems...............	15	860	0	860	16	1,022	0	1,022	16	1,011	0	1,011	16	1,020	0	1,020	0	9	0	9
2. Administrative Telephones.........	0	2,605	0	2,605	0	2,675	0	2,675	0	2,046	0	2,046	0	2,046	0	2,046	0	0	0	0
3. Office Automation.................	0	539	0	539	0	539	0	539	0	234	0	234	0	234	0	234	0	0	0	0
M. Regional Operations................	5	260	0	260	5	287	0	287	5	284	0	284	5	287	0	287	0	3	0	3
N. External Affairs...................	18	1,391	0	1,391	20	1,321	0	1,321	20	1,427	0	1,427	20	1,336	0	1,336	0	(91)	0	(91)
O. Regional Executive Direction........	105	8,889	0	8,889	105	9,372	0	9,372	100	9,172		9,172	100	9,283	0	9,283	0	111	0	111
Subtotal, Management & Admin........	475	44,606	0	44,606	445	45,552	0	45,552	444	42,362	0	42,362	447	44,543	0	44,543	3	2,181	0	2,181

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Request to Congress by Program
(Dollars in Thousands)

	1989 Actual				1990 Request				1990 Second Operating Plan				1991 Request				Increase/Decrease			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Disaster Relief Fund....................	0			$1,200,000	0			$270,000	0			$1,198,450	0			$270,000	0			($928,450)
Inspector General.......................	0			0	45			2,439	47			2,563	60			3,905	13			1,342
Emergency Food and Shelter..............	0			126,000	0			134,000	0			130,092	0			124,991	0			(5,101)
National Insurance Development Fund.....	6			15,465	6			17,222	6			13,133	6			12,127	0			(1,006)
National Flood Insurance Fund...........	0			0	0			0	0			0	0			0	0			0
Disaster Relief - Gifts and Bequests....	0			46	0			75	0			88	0			71	0			(17)
~~Trust Fund -~~ Offsetting Receipts........	0			(46)	0			(75)	0			(88)	0			(71)	0			17
Reimbursable Workyears..................	27			0	30			0	65			0	89			0	24			0
TOTAL, BUDGET AUTHORITY................	2,422			1,813,507	2,698			833,495	2,664			1,734,455	2,713			811,399	49			(923,056)

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SALARIES AND EXPENSES
Appropriation Language

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles (31 U.S.C. 1343); uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government program to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed $2,500 for official reception and representation expenses, [$142,499,000] $143,334,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990; additional authorizing legislation to be proposed for $24,311,000.)

SALARIES AND EXPENSES
Appropriation Overview

This appropriation encompasses the salaries and expenses required to provide executive direction, administrative and staff support, and direct program effort to FEMA's programs in both the Headquarters and field offices. Program Support activity provides the necessary resources to administer the Agency's various programs. The Management and Administration activity provides for the general management and administration of the Agency in legal affairs, congressional relations, public affairs, personnel, financial management, and provides the funding for and management of other central support functions, such as rent, utilities, supplies, telephone services, ADP support, handicapped services, training, and maintenance.

APPROPRIATIONS SUMMARY
SALARIES AND EXPENSES
(Dollars in Thousands)

	Page No.	* 1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Summary of Estimates by Activity						
I. Civil Defense......................	SE-7	$18,628	$20,702	$20,386	$21,131	$745
II. National Earthquake Program and Other Hazards...............	SE-19	2,428	2,682	2,613	4,012	1,399
III. Technological Hazards..............	SE-24	4,485	5,183	5,784	5,911	127
IV. Federal Preparedness...............	SE-29	48,744	50,961	50,046	49,898	-148
V. Training and Fire Programs.........	SE-33	4,910	5,626	5,264	5,252	-12
VI. Flood Insurance and Mitigation.*...	SE-39	10,164	10,734	10,734	11,078	344
VI. Disaster Relief Administration.....	SE-48	10,274	10,373	11,254	11,647	393
VII. Emergency Food and Shelter (S&E)...	SE-60	140	250	243	240	-3
VIII. Management and Administration......	SE-65	44,686	45,552	42,982	45,243	2,261
Total, Salaries and Expenses...		144,459	152,063	149,306	154,412	5,106
Budget Outlays.....................		151,036	151,603	149,197	154,301	5,104

* Reflects unobligated balance transferred from the National Flood Insurance Fund.

Changes from Original 1990 Estimates.

Reflects a net Congressional decrease of $2,757,000 from the following:

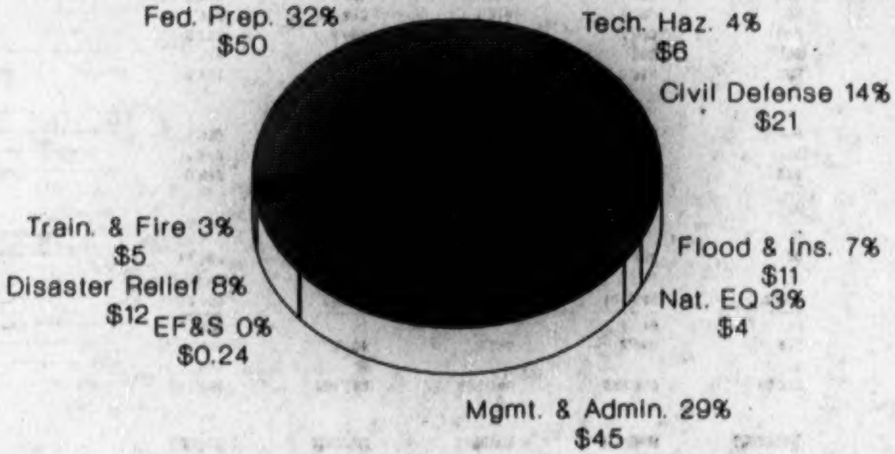
Specific Congressional Actions:
+350,000 - Technological Hazards
-180,000 - Training and Fire Programs
+1,000,000 - Disaster Relief Administration

General Congressional Actions:
-2,209,000 - General Reduction
-1,718,000 - Sequester

FY 1991 S&E Obligations by Activity

(Includes Flood Plain & Insurance Acts.)

(Dollars in Millions)

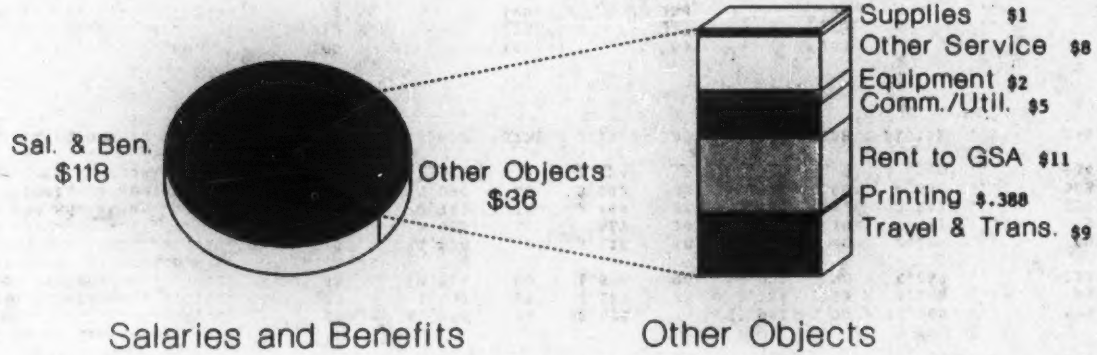


Salaries and Expenses ($154)

SALARIES AND EXPENSES
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	$87,028	$94,169	$95,746	$98,959	$3,213
11.3 Other than full-time permanent	996	...	...	...	0
11.5 Other personnel compensation	3,606	2,106	2,595	2,868	273
11.8 Special personal services payments	529	...	...	19	19
11.9 Total personnel compensation	92,159	96,275	98,341	101,846	3,505
Personnel benefits					
12.1 Civilian personnel	14,967	14,862	16,296	16,484	188
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	6,873	8,088	8,746	9,020	274
22.0 Transportation of things	242	182	98	82	(16)
23.1 Rental payments to GSA	9,932	11,267	10,294	10,600	306
23.2 Rental payments to others	...	2	...	...	...
23.3 Communications, utilities, and miscellaneous charges	6,121	8,369	4,935	5,318	383
24.0 Printing and reproduction	346	666	424	388	(36)
25.0 Other services	8,793	9,662	7,087	7,689	602
26.0 Supplies and materials	1,158	1,473	1,316	1,399	83
31.0 Equipment	3,846	828	1,769	1,586	(183)
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	144,456	152,053	149,306	154,412	5,106

FY 1991 S&E By Major Object Class
(Dollars in Millions)



(Total ($154)

SE-6

SALARIES AND EXPENSES
CIVIL DEFENSE
(DOLLARS IN THOUSANDS)

Estimates by Program Element	1989 Actual WY	1989 Actual Amt.	1990 Request WY	1990 Request Amt.	1990 Current Estimate WY	1990 Current Estimate Amt.	1991 Request WY	1991 Request Amt.	Increase/ Decrease WY	Increase/ Decrease Amt.
A. State and Local Emergency Management	68	$3,451	74	$3,698	74	$3,981	74	$4,060	...	$79
B. Radiological Defense	23	1,037	23	1,181	23	1,184	23	1,265	...	81
C. Population Protection	88	4,286	90	4,606	90	5,021	90	4,889	...	-132
D. State and Local Direction, Control and Warning	39	1,946	40	2,128	40	2,127	40	2,226	...	99
E. Research	9	406	10	587	10	621	10	611	...	-10
F. Training and Education	61	2,743	46	2,496	62	3,084	62	3,241	...	157
G. Telecommunications and Warning	75	3,080	80	3,882	80	3,828	80	4,333	...	505
H. Automatic Data Processing	9	1,679	9	2,124	9	540	9	506	...	-34
Total, Civil Defense	372	18,628	372	20,702	388	20,386	388	21,131	...	745

Permanent Workyears	1989 Actual WY	1990 Request WY	1990 Current Estimate WY	1991 Request WY	Increase/ Decrease WY
Headquarters	160	143	163	163	...
Regions	212	229	225	225	...
Total, Permanent	372	372	388	388	...

Changes from Original 1990 Estimates. A decrease of $316,000 for this activity reflects a Congressional general reduction, sequester, and reprogrammings as identified in the 1990 operating plan.

SALARIES AND EXPENSES
CIVIL DEFENSE
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	$13,572	$14,658	$15,983	$16,261	$278
11.3 Other than full-time permanent	79	...	...	...	...
11.5 Other personnel compensation	312	287	144	182	38
11.8 Special personal services payments	49	—	...	19	19
11.9 Total personnel compensation	14,012	14,945	16,127	16,462	335
Personnel benefits					
12.1 Civilian personnel	2,155	2,903	2,551	2,955	404
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	1,139	1,257	1,633	1,714	81
22.0 Transportation of things	9	...	11	...	(11)
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	233	1,160	30	...	(30)
24.0 Printing and reproduction	...	...	...	...	...
25.0 Other services	552	176	15	...	(15)
26.0 Supplies and materials	30	95	2	...	(2)
31.0 Equipment	498	166	17	...	(17)
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	18,628	20,702	20,386	21,131	745

Civil Defense

1. **Authority**. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, *et seq*.

2. **Objective/Element Description**. The civil defense activity under Salaries and Expenses provides salaries, benefits, and assorted support costs for the workyears required to implement the activities of the programs. Approximately one-third of the workyears are located in headquarters and provide for:

   - Development of policies, procedures, and guidance for regional staff and State and local governments to use in developing a base survivable crisis management capability at the State and local levels of government in order to protect the population and industry from the effects of domestic and national security emergencies in accordance with Presidential policy.

   - Development of policies, guidance, and procedures for the development of the emergency management infrastructure (primary personnel) at the State and local levels in accordance with the population protection and infrastructure objectives of Presidential policy.

   - Development of technical guidance and support to State and local governments, e.g., the design and construction of shelters and emergency operating centers (EOC's); interface and compatibility of communications systems; and building radiological defense infrastructure capability through the design, manufacture, and training in the usage of dosimeters for use in either national security or technological disasters, as well as developing a base for surge production of large numbers of instruments in times of increasing international tension in accordance with the requirements of Presidential policy.

   - Development of policies, procedures, and guidance for State and local direction, control, and warning systems, including the nationwide network of State EOC's and the Emergency Broadcast System, e.g., Electromagnetic Pulse protection, and maintenance and support of existing direction, control, and warning systems and Emergency Support Services for effecting coordination of emergency resources by State and local governments and building a base survivable crisis management capability.

   - Administration and management of the Comprehensive Cooperative Agreement (CCA) process.

   - Meeting civil defense share of the cost of operating the National Emergency Training Center.

   - Meeting Federal-level civil defense communications requirements in accordance with the survivable crisis management, sustaining survivors/post attack recovery, and public information objectives of Presidential policy.

   - Development and delivery of civil defense training courses to State and local officials and employees at the National Emergency Training Center in order to meet training requirements consistent with public information and education objectives of Presidential policy.

- Development of emergency information materials for the public on hazards and means of protection, in accordance with the public information and education objectives of Presidential policy.
- Information systems support services (personnel and equipment) for the civil defense program.
- Active management and monitoring of contract performance in support of various civil defense activities.

Approximately two-thirds of the workyears provided by Salaries and Expenses are for the implementation at the regional level of programs, policies, procedures, and guidance developed at headquarters for the civil defense programs, including:

- Negotiating with the States to ensure State/local compliance with headquarters guidance and monitoring the progress of State and local efforts funded through the Comprehensive Cooperative Agreement process.
- Providing advice and assistance to State and local governments in the development of State and local Emergency Operations Plans for the protection of the population and industry.
- Providing assistance to broadcast station personnel to identify deficiencies in and upgrades to the Emergency Broadcast System.
- Providing technical support, training, and quality control measures for State shelter survey personnel.
- Working with the States on building the nationwide State Emergency Operating Center network.
- Coordinating with the States on the establishment and maintenance of State and local emergency warning and communications capabilities, including the provision of information and guidance on Electromagnetic Pulse to protect emergency communications and other systems from the effects of Electromagnetic Pulse and lesser disruptions of electrical services.
- Providing assistance in the maintenance and support of existing direction, control, and warning systems.
- Providing assistance to State and local governments to promote the more effective coordination of emergency resources by States and localities.
- Manning the National Warning Centers.
- Operating the Regional Communications Centers.

- Coordinating with State Maintenance and Calibration personnel to manage the national inventory of 4.3 million radiological instruments.
- Testing and evaluating dosimeter specifications for Navy production contracts on a reimbursable basis.
- Training and assisting State communications personnel at the Federal, State and local levels in connectivity and interoperability.
- Working with the States in evaluating the training that is done for FEMA by the States.

3. **1989 Accomplishments.** In 1989, FEMA used $18,628,000 and 372 workyears for this activity under Salaries and Expenses. The civil defense program activity provided personnel and support costs for accomplishments cited under Emergency Management Planning and Assistance. In addition, Salaries and Expenses accomplishments included the following:

State and Local Emergency Management.

- Developed for publication in the *Federal Register* an interim rule to incorporate into regulatory form promulgated policy and standard operating procedures for Comprehensive Cooperative Agreement (CCA) administration.
- Provided qualitative assessments and evaluations of Emergency Management Assistance program performance.
- Prepared policy, developed guidance, and provided management oversight for the Individual Mobilization Augmentee (IMA) program.
- Developed new IMA manning documents with concurrence by the military.
- Managed the Hazard Identification/Capability Assessment Multi-year Development Plan (HICA/MYDP) data base which contains information from over 3,000 of the Nation's local emergency managers on the hazards they face and their ability to respond to disasters.
- Developed and deployed a prototype automated financial reporting and monitoring system for the CCA.

Radiological Defense (RADEF)

- Developed and updated operational guidance for implementation of RADEF preparedness capabilities at State and local levels and for the RADEF data base.
- Provided technical support and guidance to the 49 State RADEF Instrument Maintenance and Calibration facilities that keep civil defense instruments in a readiness condition.
- Initiated procurement of high-range (0-200R) dosimeters.
- Conducted applied research on dosimeters, chargers, and ratemeters through management support and oversight for the design and fabrication of tools for use in the radiological instrument development program.

Population Protection

- Developed and evaluated the implementation of a draft instructor guide for the Multihazard Planning course.
- Developed and published emergency planning guidance documents for State and local governments.
- Reviewed 350 State and local new and updated emergency operations plans.
- Administered the Shelter Survey Technician program to provide a cadre of qualified applicants to the State summer-hire programs for Facility Survey.
- Reviewed Federal agency building construction budgets in accordance with Executive Order 11490.
- Managed a recertification program for Fallout Shelter Analysts (FSA's) to maintain a cadre of trained personnel in fallout protective design and evaluation techniques.
- Provided shelter analysis for nuclear design to regional, State, and military personnel.
- Managed the development and implementation of a Civil Defense Family Protection program.
- Initiated a strategy for encouraging other departments and agencies, through FEMA coordination and cooperative funding, to develop plans and guidance for life support functions for which they are responsible under Executive Order 12656, entitled Assignment of Emergency Preparedness Responsibilities.

State and Local Direction, Control and Warning

- Provided technical assistance to State and local governments focusing on the completion of prior year Emergency Operating Center (EOC) projects and provided guidance and technical assistance to seven prototype survivable crisis management projects.
- Provided technical assistance to State and local governments in the development of emergency warning and communications systems.
- Developed Electromagnetic Pulse protection engineering designs for four EOC's.
- Developed a maintenance and survey management information system to enhance State and local capabilities to maintain the operational capabilities of critical systems and equipment.

Research

- Initiated a civil defense strategic planning process to develop strategic goals and a long-range implementation plan for civil defense and to interpret Presidential civil defense policy and translate it into program concepts and requirements which guide program implementation.
- Provided technical direction and management for the development of the family preparedness and volunteerism, surge, strategic analyses, and emergency public information areas.
- Maintained accumulated research results, distributed civil defense research reports to Federal, State, and local

officials as well as private citizens, and initiated plans to improve utilization of the results of research.

Training and Education

- Managed the development and delivery of resident and field Civil Defense Training programs.
- Managed and implemented the Emergency Public Information program.
- Managed the operation and maintenance of the Civil Defense portion of NETC.

Telecommunications and Warning

- Monitored and performed maintenance of equipment and circuits.
- Participated in daily tests and/or regional and national exercises.
- Trained State Emergency Operating Center personnel in systems operations.
- Provided communications support for regions.

Automated Data Processing

- Developed a three phase Distributed Data Processing (DDP) System for emergency management purposes--completed Phases I and II and initiated Phase III.
- Over 50,000 transactions were edited and input into the National Facility Survey/Reception and Care Survey (NFS/RAC). Reports were produced on a monthly basis for distribution to FEMA Regions, States, and local governments.
- Provided training to personnel on the usage of microcomputer versions of the edit and update procedures for selected data bases.
- Over 40,000 transactions were received and entered into the Radiological Defense (RADEF) Station Inventory Systems and reports were forwarded to users.

4. Changes From the 1990 Estimates. A decrease of $316,000 reflects a Congressional general reduction, sequester and reprogrammings as identified in the 1990 operating plan.

5. 1990 Program. In 1990, FEMA is allocating $20,386,000 and 388 workyears to this activity under Salaries and Expenses. The civil defense program activity will provide personnel and support costs for accomplishments cited under Emergency Management Planning and Assistance. In addition, Salaries and Expenses will support:

State and Local Emergency Management

- Providing qualitative assessments and evaluations of Emergency Management Assistance program performance.
- Preparing policy, developing guidance, and providing management oversight of the Individual Mobilization Augmentee program, the Emergency Management Assistance program, and the Emergency Assessment System.
- Monitoring the completion of emergency management self assessments by local government agencies, the correction by State and local Emergency Management Assistance participants of any deficiencies in Emergency Operating Plans, and the completion of required civil defense training for newly hired employees.
- Continuing to increase and broaden the use of Individual Mobilization Augmentees at all levels of government.
- Developing and distributing exercise support materials to State and local governments.

Radiological Defense (RADEF)

- Revising and updating RADEF guidance for development of a base level RADEF State and local government Survivable Crisis Management Capability, including: CPG 1-30, Guide for the Design and Development of a Local Radiological Defense Support System; What Fallout is all About; and the Handbook for Post-Shelter Decontamination Operations.
- Managing updates to the RADEF annexes of Emergency Operations Plans to ensure consistency with surgeable and in-place base level RADEF capabilities.
- Conducting a nationwide RADEF exercise to determine the readiness level of State and local RADEF capabilities.

Population Protection

- Reviewing 350 State and local updated Emergency Operations Plans.
- Managing the recertification program for Fallout Shelter Analysts (FSA's) and publishing a directory of FSA's.
- Developing and publishing emergency planning guidance documents for State and local governments.
- Providing Shelter Analysis for Nuclear Design to regional, State, and military personnel.
- Disseminating technical publications on providing shelters to the architectural/engineering community and to the general public.
- Managing the development and implementation of the Family Protection and Volunteer/Self-Help program by defining program requirements, developing an implementation plan, and managing completion and/or refinement of materials for use in the program. Conducting a Symposium on Family Preparedness and Volunteerism to support program implementation.

State and Local Direction, Control and Warning

- Developing SCM capabilities in prototype States and initiating SCM planning and development in other States.
- Providing assistance for the development and enhancement of Emergency Operating Centers at State and local levels.

- Establishing Operation SECURE (State Emergency Communications Using Radio Effectively) statewide networks.
- Providing guidance and technical assistance to State and local governments for establishing new and enhancing existing Radio Amateur Civil Emergency Services networks.
- Providing technical support, materials, and equipment to States, localities, and Emergency Broadcast System stations for Electromagnetic Pulse protection.
- Managing and supporting the automated Maintenance and Services Equipment Inventory and Maintenance Scheduling Program.

Research

- Initiating and managing a program of study and analysis of strategic defense and civil defense at universities and other study centers.
- Managing the development of policy analyses and guidance to clearly define civil defense concepts, program options, and requirements.
- Managing the development of strategic goals and objectives and a long-range implementation plan for the U.S. civil defense program.
- Managing the development and implementation of surge, strategic planning, and threat assessment activities, and planning for military support to civil defense.

Training and Education

- Managing the development and delivery of resident and field Civil Defense training programs.
- Managing the Emergency Public Information program.
- Managing the operation and maintenance of the Civil Defense portion of NETC>..

Telecommunications and Warning

- Issuing orders for removals, changes, and installations.
- Participating in daily tests and/or regional and national exercises.
- Training State Emergency Operating Center personnel in system operations.
- Providing communications support for regions.
- Providing systems upgrade.
- Manning the National and Alternate National Warning Centers on a 24-hour basis.

Automated Data Processing

- Continuing maintenance of ADP software for Civil Defense training activities.
- Continuing to provide data bases, damage analysis and other analytical support for civil defense programs.
- Continuing training of personnel in the utilization of personal computer and microcomputer software developed

to support program requirements.

6. **1991 Program.** In 1991, FEMA requests $21,131,000 and 388 workyears under Salaries and Expenses for this activity, an increase of $745,000 and no workyears from 1990. Under Salaries and Expenses, the civil defense program activity will provide personnel and support costs for accomplishments cited under Emergency Management Planning and Assistance. In addition, Salaries and Expense costs will provide for the following:

State and Local Emergency Management

- Continuing to prepare policy, develop guidance, and provide management oversight of the Individual Mobilization Augmentee (IMA) program, the Emergency Management Assistance (EMA) program, and the Emergency Assessment System.
- Enhancing standards of accountability in the EMA program.
- Managing the collection and analysis of State and local hazard, capability, and planning information.
- Developing and distributing exercise support materials to State and local governments.

Radiological Defense (RADEF)

- Continuing operation of the RITF and expanding its mission support role to all civil defense programs, e.g., testing of Electromagnetic Pulse protection parts.
- Maintaining quality assurance in support of procurement initiatives.
- Continuing the 1989 and 1990 initiatives for the procurement of dosimeters and batteryless dosimeter chargers.
- Initiating the Industrial Preparedness Measures for development of a surge/mobilization production capability for radiological instruments.

Population Protection

- Administering the Shelter Survey Technician program to provide a cadre of qualified applicants to the State summer-hire programs for Facility Survey.
- Managing the recertification program for Fallout Shelter Analysts (FSA's).
- Managing the development, updating, and publication of emergency management guidance documents for State and local government responsibilities associated with evacuation and State and local continuity of government.
- Reviewing State and local Emergency Operations Plans.
- Managing the implementation of the Family Protection and Volunteer/Self-Help program and the completion and/or refinement of materials for use in the program and conducting a symposium on family preparedness and volunteer issues to support continuing direction and guidance for program implementation.

State and Local Direction, Control and Warning

- Providing technical assistance for the engineering design work, purchase, installation, and maintenance of Electromagnetic Pulse (EMP) protective devices and systems for selected Emergency Broadcast System (EBS) stations, Emergency Operating Centers (EOC's), and Warning and Communications systems.
- Developing technical guidance and supporting State and local governments in the development of survivable crisis management (SCM) capabilities (e.g., the design and construction of shelters, emergency communications and warning systems, and EOC's) and interfacing and assuring compatibility of communications systems.
- Providing technical assistance and funding to State and local governments for the establishment and enhancement of Operation SECURE (State Emergency Communications Using Radio Effectively) systems, Radio Amateur Civil Emergency Services networks, and local warning capabilities.

Research

- Managing a program of study and analysis of strategic defense and civil defense at universities and other study centers.
- Managing the development of policy analyses and guidance to clearly define civil defense concepts, program options, and requirements.
- Managing the development and updating of strategic goals and objectives and a long-range implementation plan for the U.S. civil defense program.
- Managing the development and implementation of surge, strategic planning, and threat assessment activities, and planning for military support to civil defense.

Training and Education

- Completing restoration of stocks of comprehensive all-hazard public information on threats (including attack) and means of protection, and maintain the information in up-to-date form and adequate stocks, properly located for emergency dissemination.
- Managing the development and production of emergency information, public education and awareness, and related civil defense materials on peacetime and attack hazards and means of protection for special groups (e.g., handicapped, school children), business, and industry.
- Managing the development and delivery of resident and field Civil Defense training programs.
- Managing the operation and maintenance of the Civil Defense portion of NETC.

Telecommunications and Warning

- Participating in national and FEMA exercises.
- Training State Emergency Operating Center personnel in systems operations.

- Providing communications support to the Regions.

Automated Data Processing

- Maintaining ADP software in support of civil defense training initiatives.
- Continuing development of emergency response capabilities for crisis management and reporting.

1991 Increases/Decreases A net increase of $745,000 for this activity reflects the following:

(1) a base increase of $468,000 to adjust resources to fully fund requested workyears within overall deficit-reduction requirements;

(2) an increase of $251,000 for one-half of estimated 1991 costs of a 3.6% 1991 GS/GM pay raise; and

(3) an increase of $26,000 for one-half of estimated 1991 costs of SES and Executive 1991 pay raises.

7. Outyear Implications. No outyear implications over the 1991 request.

8. Advisory and Assistance Services. None.

SALARIES AND EXPENSES
NATIONAL EARTHQUAKE PROGRAM AND OTHER HAZARDS
(Dollars in Thousands)

Estimates by Program	1989 Actual MY	1989 Actual Amt.	1990 Request MY	1990 Request Amt.	1990 Current Estimate MY	1990 Current Estimate Amt.	1991 Request MY	1991 Request Amt.	Increase/ Decrease MY	Increase/ Decrease Amt.
A. Earthquake	23	$1,368	23	$1,603	23	$1,562	35	$2,910	12	$1,348
B. Hurricane	5	241	5	247	5	244	5	251	...	7
C. Dam Safety	3	125	3	129	3	125	3	131	...	6
D. Hazard Mitigation Assistance	2	96	2	100	2	98	2	101	...	3
E. Policy and Planning	12	598	13	603	13	584	13	619	...	35
Total, Earthquake and Other Hazards (Budget Authority)	45	2,428	46	2,682	46	2,613	58	4,012	12	1,399
Permanent Workyears										
Headquarters	32		33		33		45		12	
Regions	13		13		13		13		...	
Total Permanent	45		46		46		58		12	
Total Workyears	45		46		46		58		12	

Changes from Original 1990 Estimates.

Reflects a decrease of $69,000 resulting from the Congressional general reduction ($4,000), the sequester ($30,000), and the reprogramming as justified in the 1990 operating plan ($35,000).

SALARIES AND EXPENSES
NATIONAL EARTHQUAKE PROGRAM AND OTHER HAZARDS

(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	$1,838	$2,039	$1,981	$2,648	$667
11.3 Other than full-time permanent	53	...	...	...	...
11.5 Other personnel compensation	24	...	...	...	...
11.8 Special personal services payments	2	...	...	...	...
11.9 Total personnel compensation	1,917	2,039	1,981	2,648	667
Personnel benefits					
12.1 Civilian personnel	245	388	377	506	129
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	293	255	255	642	387
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	...	...	...	...	...
25.0 Other services	1	...	...	72	72
26.0 Supplies and materials	...	...	...	50	50
31.0 Equipment	2	...	...	94	94
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	2,458	2,682	2,613	4,012	1,399

NATIONAL EARTHQUAKE PROGRAM AND OTHER HAZARDS

Salaries and Expenses

1. Authorities. The Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L. 93-288, as amended by Public Law 100-707), 42 U.S.C 5121 et seq.; Executive Order 12148, Section 2-102; and the Earthquake Hazards Reduction Act of 1977, U.S.C. 7701 et seq.

2. Activity Description. This Salaries and Expenses section supports the requested workyears at Headquarters and in the Regions associated with the National Earthquake Program and Other Hazards program and management activities. The major programs included in this budget activity are as follows: the national earthquake program, which provides for reduction of loss of lives and property from earthquakes at the Federal, State and local levels; the hurricane program, which provides technical and financial assistance for the development of population preparedness and property protection in high risk-areas; the dam safety program, which provides for the coordination of activities to enhance the safety of dams and provides technical assistance on design, construction, maintenance and operation of dams; the hazard mitigation assistance program, which funds planning efforts to reduce potential hazards; and policy and planning activities, which provide management support and oversight for administrative matters.

3. 1989 Accomplishments. In 1989, FEMA used $2,428,000 and 45 workyears for this activity under Salaries and Expenses. These staff resources were used to accomplish the following: Provided executive and management support for the programs funded under this activity to assure appropriate execution at the State and local levels; planned, coordinated and executed the first National Earthquake Awareness Week; submitted to Congress the National Earthquake Hazards Reduction Program (NEHRP) Fiscal Year 1988 Annual Report; published the updated NEHRP Recommended Provisions (1988 Edition) for new construction; managed a cost-shared financial assistance program for States and provided technical assistance to State and local governments in implementing earthquake hazards reduction strategies; conducted public awareness workshops, training courses, developed and disseminated K-6 Grade earthquake curriculum and "Big Bird Get Ready for Earthquakes" kits; continued development of regional supplements to the "Plan for Federal Response to a Catastrophic Earthquake"; completed hurricane population preparedness projects for Delaware and the Virgin Islands; continued projects in 11 additional states; and initiated hazard analyses for 2 areas using SLOSH computer simulation model; continued property protection project for Tri-State area and provided support for development of a manual on principles of property damage mitigation; provided leadership for dam safety by coordinating and assessing Federal activities through Interagency Committee on Dam Safety and the Federal Guidelines compliance, and co-sponsoring 19 dam safety workshops; and funded 11 hazard mitigation assistance projects such as a handbook on sea-level rise hazard mitigation.

4. Changes from the 1990 Estimates. Reflects a decrease of $69,000 to accommodate the general reduction ($4,000), the sequester ($30,000), and a reprogramming as justified in the 1990 operating plan ($35,000).

5. 1990 Program. In 1990, FEMA is allocating $2,613,000 and 46 workyears to this activity under Salaries and Expenses. These resources will allow FEMA to do the following:

- Continue to provide executive and management support for execution of the programs funded under this activity.
- Manage the planning and coordination of the overall NEHRP including revision of the NEHRP Five-Year Plan.
- Continue activities to address the seismic risks posed by new and existing hazardous buildings and lifeline systems.
- Continue to manage financial assistance to support State and local earthquake hazards reduction programs.
- Continue to provide technical assistance to State and local governments, the private sector, and individuals in implementing earthquake hazards reduction activities.
- Continue and complete 14 hurricane population preparedness and property protection projects and continue support for hurricane mitigation and public awareness activities.
- Continue to coordinate the National Dam Safety Program to include completion of the biennial state report to the President, completion of the Model State Dam Safety Program, and continued provision of technical assistance including conducting 10 workshops and 8 training sessions.
- Provide funding to all regions to support hazard mitigation projects at the State and local level.

6. 1991 Program. In 1991, FEMA requests $4,012,000 and 58 workyears under Salaries and Expenses for this activity, a net increase of $1,399,000 and 12 workyears over 1990. The base Salaries and Expenses program of 46 workyears and $2,613,000 will allow FEMA to continue the following at current level of effort:

- Continue to provide executive and management support for execution of the programs funded under this activity.
- Manage, plan and coordinate the overall NEHRP.
- Continue to develop and publish materials addressing seismic design for new buildings, existing hazardous buildings and lifeline systems.
- Manage State financial assistance activities and provide technical assistance to all levels of government and the private sector in implementing earthquake hazards reduction activities.
- Develop and conduct training courses and public awareness workshops for earthquake preparedness.
- Continue to initiate and revise hurricane population preparedness and property protection projects.
- Continue to coordinate the National Dam Safety Program and provide technical assistance and public awareness materials and workshops.
- Continue to provide funding to all regions to support hazard mitigation projects.

1991 Increases. The 1991 request includes a net increase of 12 workyears and $1,399,000 over the 1990 request. A net increase of 12 workyears and $1,348,000 for this activity reflects the following: (1) an increase of $25,000 for one-half of estimated 1991 costs of a 3.6% 1991 GS/GM pay raise; and (2) an increase of 12 workyears and $1,323,000 for overall management, administrative and staff support for the specific projects detailed under the 1991 Increases of the Emergency Management Planning and Assistance budget section. To elaborate further, the requested increase will support the following:

- Additional headquarters staff dedicated to executing FEMA's statutory assignment as lead agency of the NEHRP.
- Staff to develop, initiate and monitor the preparation of earthquake loss estimation studies.
- Additional headquarters staff to accelerate seismic design initiatives.
- A complement of 4 workyears for the new initiatives in search and rescue; specifically to: (1) manage and coordinate the National search and rescue database; (2) administer and monitor the State equipment grant program; and (3) provide technical assistance to States in equipment acquisition.
- Training of new and existing staff to enhance the level of performance and technical competency necessary to accomplish activities under a highly technical program like the NEHRP.
- Equipment to allow new and existing staff to execute daily responsibilities and administer programs in a cost effective manner.
- Travel associated with new program initiatives, with additional staff, and with performance of FEMA's lead role in the NEHRP; specifically travel for the NEHRP Advisory Committee, obtaining specific technical expertise, post earthquake reconnaissance teams and outreach programs under the NEHRP.

7. Outyear Implications. In 1992 and beyond, FEMA's Salaries and Expenses request will be commensurate with the need to provide adequate management, administrative and staff resources to support ongoing activities and any new program initiatives as requested under Emergency Management Planning and Assistance.

8. Advisory and Assistance Services. None.

SALARIES AND EXPENSES
Technological Hazards
(Dollars in Thousands)

Estimates by Program	1989 Actual		1990 Request		1990 Current Estimate		1991 Request		Increase/ Decrease	
	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.
A. Radiological Emergency Preparedness	78	$3,802	94	$4,431	95	$4,718	95	$4,800	...	$82
B. Hazardous Materials................	15	683	15	752	22	1,066	22	1,111	...	45
Total, Technological Hazards (Budget Authority).............	93	4,485	109	5,183	117	5,784	117	5,911	...	127
Permanent Workyears										
Headquarters..........................	32		36		41		41		...	
Regions...............................	61		73		76		76		...	
Total Permanent....................	93		109		117		117		...	
Total Workyears........................	93		109		117		117		...	

Changes from Original 1990 Estimate.

Reflects a net increase of $601,000 and 8 workyears for the following:

Radiological Emergency Preparedness
A net increase of $287,000 from the following:
- a transfer back of $32,000 and 1 workyear which was loaned to General Counsel in 1989 for legal assistance.
- a transfer of $306,000 from other FEMA activities as justified in the 1990 operating plan.
- a Congressional decrease of $47,000 from the sequester.
- a reprogramming decrease of $4,000 as justified in the 1990 operating plan.

Hazardous Materials
A net increase of $314,000 from the following:
- a Congressional increase of $350,000 and 7 workyears
- a decrease of $10,000 resulting from the sequester.
- a reprogramming of $26,000 as justified in the 1990 operation plan.

SALARIES AND EXPENSES
TECHNOLOGICAL HAZARDS
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	$3,431	$4,168	$4,502	$4,601	$99
11.3 Other than full-time permanent	13	...	...	...	...
11.5 Other personnel compensation	48	...	...	...	...
11.8 Special personal services payments	17	...	...	...	...
11.9 Total personnel compensation	3,509	4,168	4,502	4,601	99
Personnel benefits					
12.1 Civilian personnel	520	471	719	650	(69)
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	433	544	563	620	57
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	2	...	...	...	...
25.0 Other services	1	...	...	20	20
26.0 Supplies and materials	...	...	...	...	...
31.0 Equipment	20	...	...	20	20
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	4,485	5,183	5,784	5,911	127

Technological Hazards

1. **Authorities**. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2302(b)(8); P.L. 99-499, Superfund Amendment and Reauthorization Act of 1986 (SARA); and Executive Orders 12148, 12241, and 12657.

2. **Activity Description**. This supports the request for Salaries and Expenses and workyears at Headquarters and in the field associated with the Radiological Emergency Preparedness (REP) and Hazardous Materials (HAZMAT) programs. The workyears funded under this activity provide staff who implement FEMA programs which, through technical and financial assistance and coordination, develop/foster Federal, State and local capabilities to variously prepare for, respond to, or mitigate the consequences of technological emergencies.

3. **1989 Accomplishments**. In 1989, FEMA used $4,485,000 and 93 workyears for this activity under Salaries and Expenses. Noteworthy staff accomplishments included the following: Completed 71% of initial findings and determinations under 44 CFR 350; conducted reviews or issued findings involving over 200 actions; participated in two Atomic Safety and Licensing Board (ASLB) hearings; evaluated 53 exercises and 1 Alert and Notification (A&N) demonstration; conducted 5 REP Exercise Evaluator Courses for Federal and State personnel; developed and disseminated a "Handbook of Chemical Hazard Analysis Procedures"; developed a "Hazardous Material Exercise Evaluation Methodology and Manual" with which to assess the design and effectiveness of hazardous materials exercises; developed a guide on "Planning, Design, Installation, and Operation of Community Warning System" for chemical emergencies; supported development of the "Exxon Valdez Oil Spill - A Report to the President"; and sponsored and provided technical support in the conduct of HAZMAT exercises.

4. **Changes from the 1990 Estimates**. Reflects a net increase of $601,000 and 8 workyears for the following:- (1) a net increase of $287,000 for the REP program, which includes a transfer back of $32,000 and 1 workyear which was loaned to General Counsel in 1989 for legal assistance; a transfer from other activities of $306,000 to fully fund requested workyears; and a decrease of $47,000 for the sequester; and a reprogramming decrease of $4,000; and (2) a net increase of $314,000 and 7 workyears in the HAZMAT program, which includes a Congressional increase of $350,000; a decrease of $10,000 for the sequester; and a reprogramming decrease of $26,000 and 7 workyears as justified in the 1990 operating plan.

5. **1990 Program**. In 1990, FEMA is allocating $5,784,000 and 117 workyears to this activity under Salaries and Expenses. REP staff activities will focus on commercial fixed nuclear power plant facilities stressing preparedness improvements through exercises. It is anticipated that 87% of these sites will have received initial formal approval under 44 CFR 350 by the close of 1990. FEMA staff will conduct reviews or issue findings involving about 200 actions; participate in 3 ASLB hearings; evaluate 59 exercises and 3 A&N demonstrations; continue to update and exercise the Federal Radiological Emergency Response Plan (FRERP); and provide technical assistance in the form of guidance documents. A significant amount of staff effort at FEMA Headquarters will be devoted to preparing or revising regulations, memoranda of understanding, interagency agreements, and guidance documents to meet the requirements of E.O. 12657.

In the HAZMAT area, staff will provide assistance in exercise design and evaluation to test the efficiency and adequacy of local emergency response plans; finalize and distribute the FEMA 5-year HAZMAT work plan; continue to provide planning and preparedness guidance and technical assistance to State and local governments on emergency warning system and in implementing SARA Title II; and sponsor and participate in HAZMAT conferences/workshops.

6. 1991 Program. FEMA requests $5,911,000 and 117 workyears under Salaries and Expenses for this activity, a net increase of $127,000 and no workyears over 1990. The resources will be devoted to the following activities by each of the programs:

REP

a. Findings and Determinations for Offsite Plans and Preparedness - FEMA staff will conduct reviews or issue findings involving over 200 actions.

b. Atomic Safety and Licensing Board (ASLB Hearings) - There are three ASLB hearings projected where FEMA staff can expected to appear as expert witnesses, or have other substantial involvement.

c. Plan Reviews and Exercises - There are approximately 60 projected exercises which will require very significant staff support.

d. Federal Response Plans - FEMA staff will complete revision of the Federal Radiological Emergency Preparedness Plan (FRERP), to bring it in line with E.O. 12657, implementing rule 44 CFR 352, the National System for Emergency Coordination, and lessons learned from FFE-2 and the Chernobyl accident response.

e. Public Education - Staff will conduct periodic reviews of public information materials and continue Joint Information System technical assistance/site visits.

f. Technical Assistance and Agreements - Staff will continue development of guidance documents and interagency agreements/memoranda of understanding and continue to conduct an in-depth review of all REP documents establishing a schedule for their revision, as necessary, including revisions required by E.O. 12657. A very significant effort by Headquarters staff is anticipated in this area to meet any request which may be made under the Executive Order for FEMA to put in place appropriate site-specific emergency preparedness plans. This effort would extend to plan preparation, and exercising the plan for response to an actual offsite emergency. In addition, the effort could extend to an initial Federal response to an actual emergency.

HAZMAT

g. **Exercise of State and Local Plans** - With an enhanced staff, FEMA will concentrate efforts on establishing and supporting a HAZMAT exercise program at Headquarters and in the Regions with which to assess emergency planning and response capabilities at the State and local level.

h. **SARA Title III** - Staff will continue to provide guidance and technical assistance to State and local governments, augmenting their efforts to define the potential risks and corresponding protective measures associated with the hazardous substances existing in their respective communities.

i. **Training** - Staff will continue to identify HAZMAT training needs, and design training course materials for field-delivered training modules.

j. **Hazardous Materials Information Exchange (HMIX)** - Through coordination with the private and public sectors, FEMA staff will expand the HMIX to encompass additional categories of information to support special areas of emphasis identified by State and local governments.

1991 Increase/Decrease. The 1991 request includes an increase of $127,000 for the following: (1) a base increase of $54,000 to adjust resources to fully fund requested workyears within overall deficit-reduction requirements; (2) an increase of $68,000 for one-half of estimated 1991 costs of a 3.6% 1991 GS/GM pay raise; and (3) an increase of $5,000 for one-half of estimated 1991 costs of SES and Executive 1991 pay raises.

7. **Outyear Implications**. A very significant staff-intensive workload could be generated in the outyears if and when requests are received under E.O. 12657 for the development of plans and in those instances where a radiological emergency occurs requiring an initial Federal response. Under provisions of the Order, FEMA will generate new or revised regulations, guidance, and agreements with other agencies necessary to provide the required resources for an initial Federal response to an actual emergency, if one should occur.

It is expected that the requested staffing level will be required as a base for the HAZMAT program in the foreseeable future.

8. **Advisory and Assistance Services**. None.

SALARIES AND EXPENSES
FEDERAL PREPAREDNESS
(Dollars in Thousands)

Estimates by Program	1989 Actual		1990 Request		1990 Current Estimate		1991 Request		Increase/ Decrease	
	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.
A. Government Preparedness...	812	$44,945	901	$46,649	901	$45,798	901	$45,669	...	-$129
B. Emergency Information and Coordination Center.....	6	178	8	307	8	303	8	$365	...	62
C. Mobilization Preparedness.	37	2,063	39	2,239	39	2,205	39	2,239		34
D. Federal Readiness and Coordination............	27	1,558	29	1,766	29	1,740	29	1,625	...	-115
Total, Federal Preparedness (Budget Authority)	882	48,744	977	50,961	977	50,046	977	49,898	102	-148
Permanent Workyears										
Headquarters...............	529		656		656		656		...	
Regions....................	290		321		321		321		...	
Total, Permanent.........	882		977		977		977		...	
Total Workyears...............	882		977		977		977		...	

Changes from Original 1990 Estimates. Reflects a decrease of $915,000 to accommodate Congressional general reductions, the sequester and a reprogramming, as justified in the 1990 operating plan.

SALARIES AND EXPENSES
FEDERAL PREPAREDNESS
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	$30,877	$34,947	$34,270	$34,842	$572
11.3 Other than full-time permanent	363	...	...	...	...
11.5 Other personnel compensation	2,560	1,413	2,095	2,678	583
11.8 Special personal services payments	330	...	...	...	...
11.9 Total personnel compensation	34,130	36,360	36,365	37,520	1,155
Personnel benefits					
12.1 Civilian personnel	6,193	5,397	6,587	6,348	(239)
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	3,108	3,880	3,649	3,350	(299)
22.0 Transportation of things	114	100	...	...	...
23.1 Rental payments to GSA	1,000	1,200	1,200	1,200	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	329	600	421	330	(91)
24.0 Printing and reproduction	5	24	...	...	...
25.0 Other services	2,706	3,000	1,024	800	(224)
26.0 Supplies and materials	(5)	400	...	...	...
31.0 Equipment	1,164	...	800	350	(450)
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	48,744	50,961	50,046	49,898	(148)

Federal Preparedness

1. **Authority.** The National Security Act of 1947, as amended, 50 U.S.C. App. 404; Defense Production Act of 1950, as amended, 50 U.S.C. App. 2061, et seq.; Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251 et seq.; the Robert T. Stafford Disaster Relief Act, 42 U.S.C. App. 5121 et seq.;, and Executive Orders 12148 and 12656.

2. **Objective/Element Description.** The Federal Preparedness activity under Salaries and Expenses provides salaries, benefits, ADP, and other varied program support. The Government Preparedness program of this activity is described in a separate submission. The remaining programs involve a variety of activities, including the staffing and operation of the Emergency Information and Coordination Center (EICC), and the coordination of Federal interagency efforts by subject-matter experts through the implementation of FEMA's lead-agency rôle in government-wide preparedness activities, thus ensuring that the necessary support capabilities exist for a coordinated Federal response in the event of an emergency.

3. **1989 Accomplishments.** In 1989, FEMA used $48,744,000 and 882 workyears under Salaries and Expenses for this activity. Resources provided for planning, coordination, interagency liaison, exercise management, and analysis activities to support the program activities described under Emergency Management Planning and Assistance. In addition, direct Salaries and Expenses accomplishments included the following:

   - **Emergency Information and Coordination Center.** Implemented an information system that provided support to emergency management teams in the event of a crisis, i.e., natural disasters, nuclear reactor incidents, etc.

   - **Mobilization Preparedness.** Coordinated policy guidance for implementation of resources and mobilization assessment information management systems; supported the establishment of industrial emergency councils; and coordinated FEMA's participation in interagency forums to develop methods of sharing common-use emergency management information across the Federal Government, thus eliminating duplication of efforts.

   - **Federal Readiness and Coordination.** Completed and tested the effectiveness of emergency action option papers in approving executive-level crisis decisionmaking; issued basic emergency preparedness and response guidance under auspices of the National Security Council (NSC) policy; implemented revision of Executive Order 12656 and revised Executive orders 12148, 10480, 10421, and 11179 to support Executive Branch policy decisions; assessed and updated Federal, national, and regional-level emergency plans and guidance to assure consistency and compatibility with State, local and private sector planning and preparedness activities; and implemented the national coordination structure to provide a consistent Federal response and facilitate resolution of national policy issues.

4. **Changes from the 1990 Estimates.** Reflects a decrease of $915,000 in response to Congressional general reductions, the sequester, and a reprogramming as justified in the 1990 operating plan.

5. **1990 Program.** In 1990, FEMA is allocating a total of $50,046,000 and 977 workyears under Salaries and Expenses for this activity. The requested funding level will allow for ongoing activities and responsibilities described above and under Emergency Management Planning and Assistance, and in addition, enable FEMA to accomplish the following:

- **Mobilization Preparedness.** Coordinate programs involving resources base mobilization; examine and update the concepts relating to implementation of the Defense Production Act, Titles, I, III, and VII with emphasis on graduated mobilization response capabilities; and develop internal FEMA guidance for the use of Defense Production Act priorities and allocations authorities.

- **Federal Readiness and Coordination.** Develop National Defense Executive Reserve (NDER) training courses and workshops for the National Emergency Training Center (NETC) and policy guidance for Federal departments and agencies; revise and issue the Federal Preparedness Guidance document series; publish, provide training in, and test the Federal Civil Emergency Actions Guidelist (FCEAG), including software documentation, cross-indexing, and update/addition of emergency action short-form papers; assess the results of pilot civil readiness evaluations and begin the next evaluation cycle; integrate emergency action option papers with continuity of government plans and complete coordination of revised National Security Action documents; and initiate the NSEP program element. Develop and participate in FEMA-sponsored and DOD exercises; and coordinate interagency use of existing data bases and models to provide options to support the management decisionmaking process.

6. **1991 Program.** FEMA requests $49,898,000 and 977 workyears under Salaries and Expenses for this activity, a decrease of $148,000 from 1990. This will provide funding and workyears to coordinate and develop national mobilization policy; provide specific planning requirements and guidance to the Federal departments and agencies; provide for qualitative and quantitative analysis to support policy and planning; determine mobilization capability and identify shortfalls in mobilization capability compared to requirements to show where special attention by Federal departments and agencies must be placed. Mobilization policy issues include U.S. dependence on foreign markets, the effects of laws and trade policy on industry's ability to mobilize resources, and coordination of policy options to improve U.S. industrial mobilization capability.

1991 Increases/Decreases. A net decrease of $148,000 for this activity reflects the following:

(1) a base decrease of $829,000 to adjust resources to fully fund requested workyears within overall defict-reduction requirements;

(2) an increase of $565,000 for one-half of estimated 1991 costs of a 3.6% 1991 GS/GM pay raise;

(3) an increase of $116,000 for one-half of estimated 1991 costs of SES and Executive 1991 pay raises.

7. **Outyear Implications.** No outyear implications over the 1991 request.

8. **Advisory and Assistance Services.** None.

SALARIES AND EXPENSES
TRAINING AND FIRE PROGRAMS
(Dollars in Thousands)

Estimates by Program Element	1989 Actual		1990 Request		1990 Current Estimate		1991 Request		Increase/ Decrease	
	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.
A. Emergency Management Institute..............	7	$ 390	9	$ 415	12	$ 527	9	$ 396	-3	$-131
B. National Fire Academy....	75	3,592	41	2,027	76	3,653	76	3,644	...	-9
C. U.S. Fire Administration.	18	928	18	903	24	1,084	24	1,212	...	128
D. NETC Site Administration.	...	...	50	2,281	...	...	...	...	...	...
Total, Training and Fire Programs (Budget Authority).....	100	4,910	118	5,626	112	5,264	109	5,252	-3	-12

Changes from Original 1990 Estimates. Reflects a net decrease of $362,000 in response to the following: a Congressional decrease of $548,000 and 16 workyears for the return of the Civil Defense portion of NETC Site Administration to that activity; Congressional increases of $120,000 and 3 workyears for SARA Title III training grant support, $50,000 and 1 workyear for HAZMAT first responder training, and $198,000 and 6 workyears for USFA activities; a decrease of $57,000 in response to Congressional general reductions and sequester; and reprogrammings of $125,000 as justified in the 1990 operating plans.

SALARIES AND EXPENSES
TRAINING AND FIRE PROGRAMS
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	$3,802	$4,044	$4,068	$4,074	$6
11.3 Other than full-time permanent	32	...	...	...	...
11.5 Other personnel compensation	31	9	3	8	5
11.8 Special personal services payments	5	...	...	...	...
11.9 Total personnel compensation	3,870	4,053	4,071	4,082	11
Personnel benefits					
12.1 Civilian personnel	353	738	575	555	(20)
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	223	365	284	296	12
22.0 Transportation of things	1	...	...	10	10
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	185	350	173	128	(45)
24.0 Printing and reproduction	1	...	...	...	...
25.0 Other services	68	50	46	55	9
26.0 Supplies and materials	60	29	41	54	13
31.0 Equipment	149	41	74	72	(2)
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	4,910	5,626	5,264	5,252	(12)

Training and Fire Programs

1. Authority. Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq.; National Security Act of 1947, 50 U.S.C. 404; Defense Production Act of 1950, U.S.C. App. 2061 et seq.; National Flood Insurance Act of 1968, as amended; the Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4001 et seq.; and the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. 2201 et seq.

2. Objective/Element Description. This activity provides the funds for the workyears and the related expenses necessary to develop and deliver the programs that prepare Federal, State, and local officials, their supporting staffs, emergency first responders, volunteer groups, and the public to meet the responsibilities and challenges of domestic emergencies through planning, mitigation, preparedness, response, and long-term recovery. Fire Prevention and Control activities are developed and delivered through the United States Fire Administration (USFA). Educational programs are provided through the Emergency Management Institute (EMI), and the National Fire Academy (NFA).

   o Emergency Management Institute. These workyears are responsible for providing guidance and direction in the development and delivery of the EMI's non-civil defense training and education program. They are also responsible for the development of guidelines for delivery of the nationwide EMI non-civil defense field training program, providing technical expertise in the development of courses, and supporting and assisting with the delivery of the educational program.

   o National Fire Academy. These workyears are responsible for providing guidance, direction, and technical expertise in the development and revision of courses and educational program materials; managing the delivery of a nationwide field training program delivered in cooperation with State and local sponsors; managing and assisting with the delivery of a resident training program; and operating and maintaining the facility and supporting the educational program of the National Fire Academy.

   o U.S. Fire Administration. These workyears are responsible for administering the various programs of the USFA; providing policy and technical program direction, review, and evaluation; providing policy and technical field activities assistance; providing policy and technical review and updating of materials, information analysis, and information dissemination.

3. 1989 Accomplishments. In 1989, FEMA used $4,910,000 and 100 workyears for this activity under Salaries and Expenses.

   o Emergency Management Institute. The resources supported EMI resident training program and curricula activities. The functions of these workyears include curricula, course, and materials development, revision and evaluation; research, testing and application of educational methodologies and technological media advances; and management of contracts, grants and adjunct faculty.

   o National Fire Academy. These resources were devoted to the course development and revision processes; off-campus course delivery programs; support for State and local fire training efforts; providing technical and professional expertise in the development of courses; and to the on-campus course delivery programs. Other resources were devoted to the operation and maintenance of the facility and providing admissions, procurement, media, learning resource center, and management services in support of the NFA educational program.

- o U.S. Fire Administration. This level of funding provided staff effort for enhancing the arson program effort through the use of computer technology; expanding the private/public interaction in fire prevention; concluding the Project Fires program; investigating hazardous materials, protective clothing, and improving the data flow; and data and information management.

4. Changes From the 1990 Estimates. Reflects a net decrease of $362,000 and 6 workyears in response to the following: a Congressional decrease of $548,000 and 16 workyears for the return of the Civil Defense portion of NETC Site Administration to that activity; Congressional increases of $120,000 and 3 workyears for SARA Title III training grant support, $50,000 and 1 workyear for HAZMAT first responder training, and $198,000 and 6 workyears for USFA activities; a decrease of $57,000 in response to Congressional general reductions and sequester; and reprogrammings of $125,000 as justified in the 1990 operating plans.

5. 1990 Program. In 1990, FEMA is allocating $5,264,000 and 112 workyears to this activity under Salaries and Expenses. This level of funding provides for the following:

- o Emergency Management Institute. These resources support the EMI training program. These workyears are required to manage and support FEMA training activities reflected under Emergency Management Planning and Assistance, and to ensure that the training is technically accurate, educationally sound, and delivered in the most cost effective manner. Functions include curricula, course, and materials development, revision and evaluation; research, testing and application of educational methodologies and technological media advances; and management of contracts, grants, and adjunct faculty. These workyears are essential to the continuation of the resident training program, particularly for the train-the-trainer courses conducted in residence to support the field deployment system.

- o National Fire Academy. These resources are devoted to the course development and revision processes; off-campus course delivery programs; support for State and local fire training efforts; providing technical and professional experts in the development of courses; and to the on-campus course delivery program. The funding also provides a portion of the resources necessary to manage the operation and maintenance of the facility; admissions and registration services for NFA; procurement, budget and fiscal support, and media services for NFA; curriculum coordination and long-term evaluation and accreditation coordination for the NFA educational programs; and overall FEMA training program management and coordination.

- o U.S. Fire Administration: This program provides personnel resources to manage the fire prevention and arson control activities; monitor the residential sprinklers research; provide technical assistance in the development and delivery of two videoconferences; work with the private sector to enhance Federal/private sector relations and private sector participation; monitor efforts to improve firefighter protective clothing and equipment; provide guidance in the collection and dissemination of fire data, and review and authorize reimbursement to local fire services for fighting fires on Federal property.

6. 1991 Program. In 1991, FEMA requests $5,252,000 and 109 workyears under Salaries and Expenses for this activity, a net decrease of $12,000 and 3 workyears from 1990.

- Emergency Management Institute. These resources will be used to support the EMI resident training program. These workyears are required to manage and support FEMA training activities reflected under Emergency Management Planning and Assistance, and to ensure that the training is technically accurate, educationally sound, and delivered in the most cost effective manner. Functions include curricula, course, and materials development, revision, and evaluation; research testing and application of educational methodologies and technological media advances; and management of contracts, grants, and adjunct faculty (nine workyears). These workyears are essential to the continuation of the resident training program, particularly for the train-the-trainer courses conducted in residence to support the field deployment system.

- National Fire Academy. This funding will provide resources for managing and participating in the course development and revision process (15 workyears); managing the delivery of NFA developed courses through a network of State and local fire training programs, supplementing and not duplicating training programs available to fire service personnel offered at local training centers. These personnel will also be responsible for training State and local personnel to become trainers of NFA developed courses (nine workyears); overall management and planning functions; and on-campus instruction, student counselling, and course management requirements in order to assure the quality offerings expected of NFA (23 workyears). The funding also provides a portion of the resources necessary to manage the operation and maintenance of the facility; admissions and registration services for NFA; procurement, budget and fiscal support, and media services for NFA; curriculum coordination and long-term evaluation and accreditation coordination for the NFA educational programs; and overall FEMA training program management and coordination (29 workyears).

- U.S. Fire Administration. This level of resources will support activities to provide management and oversight to the many and varied programs carried out by the Fire Administration in collecting, analyzing, and disseminating fire data, research, and application of materials to provide a safer environment for the Nation's fire service. Fire prevention and arson control activities and coordination of fire policy and management will also be provided.

  The U.S. Fire Administration is challenged by the fragmented nature of the nation's career and volunteer fire service. In the absence of any effective intermediate organizational structure between the Federal and local levels, the only way to ensure effective communication between the USFA and the working fire service, which is the ultimate beneficiary of USFA's programs, is to devote a significant portion of staff time to field activities. These activities involve substantive participation in regional fire service technical meetings as well as visits to individual representative fire departments.

  Another major in-house program activity is related to the dissemination of public fire education materials, technical information related to such topics as sprinklers and smoke detectors, and both statistics related to the nation's fire problem and special analyses of those statistics focusing on specific aspects of the fire problem. This is one of the USFA's principal delivery mechanisms for its program products and requires a significant amount of staff time for responding to requests for publications, reviewing and updating publications on a regular basis, and performing special analyses of fire data in response to public and private sector requests. In addition, requests for reimbursement for fighting fires on Federal property are reviewed and authorized. The 24 workyears are utilized to perform the following activities:

- Program administration (contract and grant administration)
- Policy and technical program direction, review and evaluation
- Policy and technical field activities
- Policy and technical review and updating of materials, in-house analysis, and materials and information dissemination
- Clerical support

1991 Increases/Decreases. A decrease of 3 workyears and a net decrease of $12,000 for this activity reflect the following: (1) a base increase of $13,000 to adjust resources to fully fund requested workyears within overall deficit-reduction requirements; (2) an increase of $60,000 for one-half of estimated 1991 costs of a 3.6% 1991 GS/GM pay raise; (3) an increase of $33,000 for one-half of estimated 1991 costs of SES and Executive 1991 pay raises; and (4) a decrease of 3 workyears and $118,000 for termination of funding for SARA Title III training grants.

7. Outyear Implications. There are no outyear implications beyond the 1991 request.

8. Advisory and Assistance Services. None anticipated.

SALARIES AND EXPENSES
FLOOD INSURANCE AND MITIGATION
(Dollars in Thousands)

Estimates by Program Element	1989 Actual (1) WY	1989 Actual (1) Amt.	1990 Request (1) WY	1990 Request (1) Amt.	1990 Current Estimate (1) WY	1990 Current Estimate (1) Amt.	1991 Request (2) WY	1991 Request (2) Amt.	Increase/ Decrease WY	Increase/ Decrease Amt.
A. Flood Plain Management										
Flood Studies and Surveys......	57	$2,795	58	$2,851	58	$2,851	58	$2,938	...	$ 87
Flood Hazard Reduction.........	84	4,120	85	4,176	85	4,176	85	4,293	...	117
Purchase of Property...........	6	294	6	294	6	294	6	303	...	9
Subtotal, Flood Plain Management (Budget Authority).........	147	7,209	149	7,321	149	7,321	149	7,534	...	213
B. Insurance Activities (Budget Authority).........	50	2,955	54	3,413	54	3,413	54	3,544	...	131
Total, Flood Insurance and Mitigation................	197	10,164	203	10,734	203	10,734	203	11,078	...	344
Permanent Workyears										
Headquarters....................	102		107		107		107		...	
Regions.........................	95		96		96		96		...	
Total, Permanent.............	197		203		203		203		...	
Total Workyears..................	197		203		203		203		...	

Changes from Original 1990 Estimates. None.

(1) Reflects a transfer of unobligated balance from the National Flood Insurance Fund.

(2) Requests a transfer of unobligated balance from the National Flood Insurance Fund to Salaries and Expenses.

SALARIES AND EXPENSES
FLOOD INSURANCE AND MITIGATION
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	$7,964	$8,594	$8,642	$8,649	$7
11.3 Other than full-time permanent	118	...	...	...	...
11.5 Other personnel compensation	73	...	...	...	...
11.8 Special personal services payments	24	...	...	...	...
11.9 Total personnel compensation	8,179	8,594	8,642	8,649	7
Personnel benefits					
12.1 Civilian personnel	1,241	997	1,267	1,342	75
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	640	793	694	790	96
22.0 Transportation of things	8	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	2	...	...	...	...
25.0 Other services	27	350	131	297	166
26.0 Supplies and materials	3	...	...	...	...
31.0 Equipment	64	...	...	...	...
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	10,164	10,734	10,734	11,078	344

A. Flood Insurance and Mitigation

1. Authority. National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4001 et seq.

2. Objective/Element Description. This section supports the requested workyears at headquarters and in the regions associated with the oversight and administration of flood plain management in support of the National Flood Insurance Program (NFIP) and with oversight of operations of the National Flood Insurance Program. Flood Plain Management activities are designed to provide an integrated and comprehensive approach to reducing the loss of lives and damage to property due to floods at the Federal, State, and local level.

All funding for this activity is derived by the transfer of unobligated balance from the National Flood Insurance Fund to the Salaries and Expenses appropriation. For 1991, the Administration intends to restore all costs of this activity to the Fund by levying user fees on policyholders.

3. 1989 Accomplishments. In 1989, FEMA used $10,164,000 and 197 workyears for this activity under Salaries and Expenses. These staff resources were used to accomplish the following:

Flood Plain Management

- Conducted 152 initial time and cost meetings with communities to set the scope of study for flood insurance studies or restudies.
- Conducted 555 final community consultation meetings to explain the result of completed flood insurance studies or restudies.
- Managed 1,755 studies and restudies currently underway by monitoring the progress of technical evaluation and study contractors.
- Evaluated 2,709 official appeals or revisions to flood insurance rate maps.
- Effected 505 communities for conversion to the regular phase of the NFIP.
- Operated a fee charge system for flood study reports and maps and for the review of proposed flood control projects to reduce escalating costs for this service.
- Managed distribution operations for 7.5 million flood map panels and archive map microfilming operations.
- Planned procurement for 152 flood insurance restudies and 106 Limited Map Maintenance Projects.

- Managed special studies and planning for erosion rate studies.
- Managed various engineering and research studies for program development and improvement.
- Completed a maintenance level plan for flood risk studies and mapping.
- Provided technical assistance to the more than 17,800 communities that participated in the NFIP and to other Federal, State, and local officials; members of the private sector; and, individual citizens in interpreting and applying the policies, procedures, and regulatory requirements of the NFIP.
- Managed the Community Assistance and Community Compliance programs to assure that minimum requirements for program participation were met as well as initiated probation actions for noncompliant communities.
- Assisted more than 1,800 communities in updating their flood plain management ordinances.
- Provided leadership to implement a Unified National Program for flood plain management and completed the first phase of a national assessment of the status of flood plain management.
- Developed, interpreted, and reviewed flood plain management regulations, standards, policy directives, and legislation.
- Reviewed and selected flood-damaged properties for purchase.
- Provided support for the insurance aspects of the program including agent and lender workshops, visiting agents and lenders during community assistance visits, and assisting the lending community with regard to mandatory purchase requirements.

Insurance Activities

- Developed two new policy products - a preferred risk policy and a condominium master policy.
- Developed a comprehensive plan covering all NFIP marketing activities.
- Published updated mandatory purchase guidelines to assist lenders with flood insurance purchase requirements.
- Conducted a third nationwide video conference on flood plain management.
- Completed the field survey, as part of the development of a community rating system.

- Completed the core of the enhanced actuarial information system.

4. Changes from the 1990 Estimates. None.

5. 1990 Program. In 1990, FEMA is allocating $10,734,000 and 203 workyears to this activity under Salaries and Expenses. Resources will be used to accomplish the following:

Flood Plain Management

- Conduct 162 initial time and cost meetings with communities to set the scope of study for flood insurance studies and restudies and plan procurement for these studies and 130 limited map updates.
- Conduct 480 final community consultation meetings to explain the results of completed flood insurance studies or restudies.
- Manage 1,363 studies and restudies underway by monitoring the progress of technical evaluation and study contractors.
- Effect 410 community conversions to the regular phase of the NIFP.
- Evaluate 2,700 official appeals or map revision requests.
- Operate fee charge systems for flood maps, reviews of proposed flood control projects, and archive flood risk study data requests.
- Manage distribution operations for 8 million flood map panels.
- Continue planning and testing of procedures for erosion rate studies.
- Manage various engineering and research studies for program development and improvement.
- Manage a study on the effects of sea level rise on the NFIP as mandated by P.L. 101-137.
- Provide technical assistance to the more than 17,800 communities that participate in the NFIP and to other Federal, State, and local officials; members of the private sector; and, individual citizens in interpreting and applying the policies, procedures, and regulatory requirements of the NFIP.
- Manage the Community Assistance and Community Compliance programs for the NFIP to assure that the minimum requirements for program participation are adopted and fully implemented.

- Determine eligibility, suspensions, and reinstatements of noncompliant NFIP communities.

- Initiate probation actions for noncompliant NFIP communities.

- Provide technical assistance to State and local governments and private concerns regarding flood plain management and flood hazard reduction issues directly and supplemented by Federal and State agency services.

- Coordinate with and assist national building code organizations to incorporate flood plain management standards in their codes.

- Effect liaison and support with State groups to promote flood plain management and flood hazard reduction programs.

- Provide leadership to implement a Unified National Program for Flood Plain Management.

- Develop, interpret, and review flood plain management regulations, standards, policy directives, and legislation.

- Review and select flood-damaged property for purchase.

- Provide support for the insurance aspects of the program including agent and lender workshops, visiting agents and lenders during community assistance visits, and assisting the lending community with regard to mandatory purchase requirements.

Insurance Activities

- Manage the servicing contract which provides day-to-day operational support for the NFIP.

- Oversee further development of the enhanced actuarial system to provide more detailed risk zone data for other research needs.

- Complete the Write-Your-Own program evaluation to analyze the impact of Write-Your-Own on the NFIP and determine possible cost savings that can be achieved.

- Continue to work with Write-Your-Own companies, agents, and lenders to develop sound approaches to effectively market the flood insurance program.

- Perform claims and underwriting administration reviews of Write-Your-Own companies and claims reinspections of Write-Your-Own claims, pursuant to the Write-Your-Own financial control plan.

- Work with Federal instrumentalities to assist lenders with their responsibilities under the Flood Disaster Protection Act of 1973.
- Conduct the annual actuarial review of insurance experience and analyze catastrophic reserve requirements.
- Perform field tests of the administrative aspects of a community rating system.
- Continue to implement the erosion benefits program established by P.L. 100-242.

6. 1991 Program. In 1991, FEMA requests $11,078,000 and 203 workyears under Salaries and Expenses for this activity. These funds will be used to accomplish the following:

Flood Plain Management

- Conduct 142 initial time and cost meetings with communities to set the scope of study for flood insurance studies and restudies and plan procurement for these studies and 220 limited map updates.
- Conduct 254 final community consultation meetings to explain the results of completed flood insurance studies or restudies.
- Manage 1,005 studies and restudies underway by monitoring the progress of technical evaluation and study contractors.
- Effect 472 conversions of communities to the regular phase of the NFIP.
- Evaluate 2,800 official appeals or map revision requests.
- Operate fee charge systems for flood maps, reviews of proposed flood control projects and requests for archive risk study data.
- Manage distribution operations for 7.5 million flood map panels.
- Plan and initiate procurement of erosion rate studies for 25 counties.
- Manage map digitizing operations for 40 counties and independent cities.
- Manage various engineering and research studies for program development and improvement.

- Provide technical assistance to the more than 18,000 communities that participate in the NFIP and to their Federal, State, and local officials; members of the private sector; and individual citizens in interpreting and applying the policies, procedures, and regulatory requirements of the NFIP.

- Monitor communities for compliance with NFIP regulation and initiate probation actions for noncompliant NFIP communities.

- Continue to work with national building code organizations to incorporate flood plain management standards in their codes.

- Work with State groups and others to promote sound management of the nation's flood plains and reduce losses from flooding.

- Develop, interpret, and review flood plain management regulations, standards, policy directives and legislation.

- Provide support for the insurance aspects of the program including agent and lender workshops, visiting agents and lenders during community assistance visits, and assisting the lending community with regard to mandatory purchase requirements.

- Review and select candidates for acquisition under the flood damaged property purchase program.

Insurance Activities

- Manage the servicing contract which provides day-to-day operation support for the NFIP.

- Utilize results of the Write-Your-Own program evaluation to reduce Write-Your-Own program costs and improve the NFIP's effectiveness in achieving its goals.

- Continue to work with Write-Your-Own companies, agents, and lenders to develop sound approaches to effectively market the flood insurance program.

- Produce additional video tapes which address various aspects of the NFIP to improve program awareness and understanding.

- Develop new ways to assist insurance companies, agents, and lenders in increasing market penetration.

- Conduct the annual actuarial review of insurance experience and analyze catastrophic reserve requirements.

- Begin receiving initial applications from communities that are interested in participating in a community rating system.

- Perform claims and underwriting administration reviews of Write-Your-Own companies and claims reinspections, pursuant to the Write-Your-Own financial control plan.

- Administer and pay claims for erosion damage as provided for by P.L. 100-242.

1991 Increase/Decrease: A net increase of $344,000 for this activity reflects the following: (1) a base increase of $186,000 to fully fund requested workyears; (2) an increase of $130,000 for one-half of estimated 1991 costs of a 3.6% GS/GM pay raise; and (3) an increase of $28,000 for one-half of estimated 1991 costs of SES and Executive 1991 pay raises.

7. Outyear Implications. No outyear implications over the 1991 request.

8. Advisory and Assistance Services. None.

SALARIES AND EXPENSES
DISASTER RELIEF ADMINISTRATION
(Dollars in Thousands)

	1989 Actual		1990 Request		1990 Current Estimate		1991 Request		Increase/ Decrease	
Estimates by Program Element	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.
A. Disaster Relief Administration......... (Budget Authority)	221	$10,274	233	$10,373	233	$11,254	233	$11,647	...	$393
Permanent Workyears										
Headquarters................................	52		59		59		59		...	
Regions.....................................	169		174		174		174		...	
Total Permanent.........................	221		233		233		233		...	
Total Workyears............................	221		233		233		233		...	

Changes From Original 1990 Estimates: Reflects a net Congressional increase of $881,000.

SALARIES AND EXPENSES
DISASTER RELIEF ADMINISTRATION
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	$8,283	$8,697	$9,087	$9,544	$457
11.3 Other than full-time permanent	20	---	---	---	---
11.5 Other personnel compensation	249	---	---	---	---
11.8 Special personal services payments	8	---	---	---	---
11.9 Total personnel compensation	8,560	8,697	9,087	9,544	457
Personnel benefits					
12.1 Civilian personnel	1,300	1,185	1,300	1,326	26
12.2 Military personnel	---	---	---	---	---
13.0 Benefits for former personnel	---	---	---	---	---
Non-Personnel Costs					
21.0 Travel and transportation of persons	311	458	725	535	(190)
22.0 Transportation of things	10	5	17	2	(15)
23.1 Rental payments to GSA	---	---	---	---	---
23.2 Rental payments to others	---	---	---	---	---
23.3 Communications, utilities, and miscellaneous charges	---	---	---	---	---
24.0 Printing and reproduction	2	1	5	1	(4)
25.0 Other services	38	27	35	212	177
26.0 Supplies and materials	---	---	10	2	(8)
31.0 Equipment	53	---	75	25	(50)
32.0 Land and structures	---	---	---	---	---
33.0 Investments and loans	---	---	---	---	---
41.0 Grants, subsidies and contributions	---	---	---	---	---
42.0 Insurance claims and indemnities	---	---	---	---	---
43.0 Interest and dividends	---	---	---	---	---
Total Obligations	10,274	10,373	11,254	11,647	393

DISASTER RELIEF ADMINISTRATION

A. Salaries and Expenses.

1. Authority. The Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. App 5121 et seq.; Executive Order 12148, as amended, and Regulations 44 CFR, Subchapter D.

2. Objective/Activity Description. Program administration includes the following principal areas:

   a. Management and Coordination. The majority of Management and Coordination resources for disaster relief are allocated to providing program support and staffing Federal Coordinating Officer/Disaster Recovery Manager (FCO/DRM) positions in Disaster Field Offices (DFO's) for the delivery of assistance in declared major disasters and emergencies. Other functions include: administration of assistance; processing of all requests for declarations; supporting Federal Coordinating Officer (FCO) functions; managing the Disaster Relief Appropriation; conducting critiques and program evaluations; coordinating automated support systems; developing training programs.

   b. Individual Assistance for Disaster Relief. The majority of Individual Assistance resources are allocated to managing the delivery of Individual Assistance programs (Individual and Family Grants, Temporary Housing, Crisis Counseling, Disaster Unemployment Assistance and Legal Services for low-income victims) in declared major disasters and emergencies. Other functions include: the development of policy and procedures to provide prompt and effective delivery of assistance authorized by the Act; program oversight and evaluation; and coordination with other non-FEMA entities providing related assistance to disaster victims.

   c. Public Assistance for Disaster Relief. The majority of Public Assistance resources are allocated to managing the delivery of Public Assistance to and funding emergency services for State and local applicants in declared major disasters and emergencies. Public Assistance projects constitute approximately two thirds of obligations annually from the President's Fund. Other functions include: development of policy and procedures; oversight and evaluation of program activities; and coordination of program management improvements to ensure that assistance is provided in an efficient and timely manner.

   d. Hazard Mitigation and Preparedness. Hazard mitigation and preparedness resources are allocated to provide technical assistance and guidance to affected entities in declared major disasters and emergencies; identify mitigation opportunities and develop plans for mitigation activities. In addition, FEMA has the lead role in coordinating the activities of 25 Federal agencies at the national and regional levels in the development and implementation of plans for response to a catastrophic earthquake. This program also implements the new hazard mitigation grant program authorized in the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

e. Disaster Preparedness Improvement Grants. Disaster Planning and Administration staff resources manage the Disaster Preparedness Improvement Grants (DPIG) program, coordinating program reviews and the delivery of planning grant assistance.

3. 1989 Accomplishments. In 1989, FEMA used 221 workyears and $10,274,000 under Salaries and Expenses. The majority of the Regional Office and a significant portion of the National Office staff resources were dedicated to supporting delivery of assistance in declared major disasters and emergencies. Other accomplishments are noted according to the five principal areas of program activity.

a. Management and Coordination.

o Processed requests for 41 major disasters which resulted in 29 declared disasters in 459 counties.

o Provided support guidance in 29 disasters. This includes guidance in management of personnel, property, vehicles, finances, and computer operation.

o Conducted a total of 7 regional office and 15 DFO reviews in various program areas.

o Closed out 21 major disasters and 1 emergency.

o Signed a Memorandum of Understanding with the General Services Administration for administrative support of DFO's.

o Developed an automated system to capture and compile key information on DFO operations.

o Acquired additional workstations and communication systems to support and expand ADP capabilities. Developed materials and conducted training for permanent full-time (PFT) and Disaster Assistance Employees (DAE) personnel on how to use the ADP equipment to manage information.

o Issued new regulations to reflect administrative and procedural changes mandated by the Disaster Relief and Emergency Assistance Act of 1988.

o Revised Volume I of the Disaster Operations Manual covering policy and procedures during the disaster declaration process. Completed Volume II of the Disaster Operations Manual covering policy and procedures during the disaster recovery process.

o Enhanced management and financial systems to improve program delivery to the Regions, States and local jurisdictions.

- Provided oversight and support for policy and legislative initiatives.
- Provided for evaluation and analyses of programs and their delivery systems to ensure that the monitoring mechanisms that are in place are current and operational.

b. Individual Assistance for Disaster Relief (IA).

- Delivered individual assistance in 22 major disasters.
- Published interim regulations for implementing the Robert T. Stafford Disaster Relief and Emergency Assistance Act.
- Completed training for program staff and network managers on the individual assistance module of the Automated Disaster Assistance Management System.
- Completed all portions of Volumes I and II of the Disaster Operating Manual concerning Individual Assistance.
- Began field testing of a teleregistration system for individual assistance applicants.

c. Public Assistance for Disaster Relief (PA).

- Delivered public assistance in 24 major disasters.
- Issued new regulations to reflect the Public Assistance program changes mandated by the Robert T. Stafford Disaster Relief and Emergency Assistance Act. These include changes in: requirements for matching grants, eligible applicants, eligible costs, financial advances to the States, and award amounts.
- Implemented changes to Public Assistance regulations based on requirements identified by the comprehensive program review conducted in 1988.
- Provided administration and oversight for large individual projects including management of time limitations, required changes, interim and final inspections, and claims for reimbursement.
- Continued on-going actions to close-out older disasters and claims collection efforts.
- Conducted Public Assistance training for State officials.

- Identified enhancements to Public Assistance functions of the ADAMS system that will improve program response and administration.

- Conducted meetings with other Federal agencies to coordinate areas of program interface and mutual support.

d. Hazard Mitigation and Preparedness.

- Provided technical assistance and coordinated preparation of Hazard Mitigation Reports in 24 major disasters.

- Issued new regulations to incorporate changes to the Hazard Mitigation Program mandated by the Robert T. Stafford Disaster Relief and Emergency Assistance Act. This included the establishment of procedures for the one-time planning assistance grants authorized for the eight Great Lakes States by the Disaster Relief and Emergency Assistance Amendments of 1988, to reduce and prevent damage attributable to high water levels in the Great Lakes, and the establishment of procedures in the Hazard Mitigation Grant Program authorized under section 404 of the Stafford Act.

- Increased the number of States with State level multi-hazard mitigation plans, thereby increasing overall preparedness and limiting subsequent post-disaster planning requirements.

- Using ADAMS, continued to expand the data base on hazard mitigation measures as an evaluation tool to determine costs-savings created by the program.

- Incorporated hazard mitigation evaluation data into technical assistance and program administration materials.

- Improved functional program interrelationships with other agencies to use those programs more effectively in reducing disaster related damages.

- Conducted RESPONSE 89 exercise for the Federal Catastrophic Earthquake Response Plan; developed at least one regional tabletop exercise; and initialed drafts of regional procedural supplements to the Plan in all regions.

- Identified, selected, and funded hazard mitigation projects supported by the Hazard Mitigation Assistance program funded under Earthquakes and Other Natural Hazards.

e. Disaster Preparedness Improvement Grants.

- o Coordinated delivery of planning grants to 54 applicants.
- o Issued new regulations, incorporating changes to the Disaster Preparedness Improvement Grants Program mandated by the Stafford Act.

4. Changes from the 1990 Estimates. Current 1990 estimates reflect a net Congressional increase of $881,000.

5. 1990 Program. In 1990, FEMA is allocating $11,254,000 and 233 workyears to this activity under Salaries and Expenses. Proposed accomplishments are noted in the following sections.

a. Management and Coordination.

- o Process an estimated 40 requests for disaster and emergency declarations, with an estimated 28 potential declarations.
- o Coordinate emergency assistance and large scale disaster recovery activities associated with Hurricane Hugo and the Loma Prieta earthquake.
- o Provide program support guidance in approximately 28 major disaster. This includes management of personnel, property, vehicles, finances, and computer operations.
- o Issue the first annual comprehensive monitoring and evaluation report on disaster program management and delivery.
- o Re-publish Volume I and publish Volume II of the Disaster Operations Manual. Complete and publish Volume III. These manuals cover policies and procedures on the disaster declaration, recovery, and close-out process.
- o Based on comments solicited from a wide range of government agencies, volunteer organizations, and other groups, submit to the Congress proposals to improve relationships among Federal, State, and local disaster officials (Section 110).
- o Coordinate comprehensive review of ADAMS to identify potential improvements in applications, system management and system configuration.
- o Coordinate design and development of automated response support systems including prototyping and testing to address projected requirements associated with catastrophic events.

- Provide for improvements to program management and delivery systems to the Regions, State and local jurisdiction.
- Provide oversight and direction for policy and legislation.
- Provide for evaluation and analyses of programs and their delivery systems to ensure that the monitoring mechanisms that are in place are current and operational.
- Conduct five regional and three field office reviews for each program area.

b. Individual Assistance for Disaster Relief.

- Deliver assistance in an estimated 22 major disasters.
- Issue final regulations implementing the Robert T. Stafford Disaster Relief and Emergency Assistance Act.
- Conduct thorough evaluation of the effectiveness of Individual Assistance programs and FEMA's procedures for administering them. Based on the results of the evaluation, propose a comprehensive package of policy and procedural changes, adjustments to regulations and, if necessary, legislative initiatives.
- Revise the Individual and Family Grant program handbook to reflect recent program changes.
- Develop policy and procedures for funding hazard mitigation measures through the Individual and Family Grant program.
- Initiate preparations to revoke delegations to the National Institute of Mental Health and the Department of Labor for the crisis counseling and disaster unemployment assistance programs, respectively.
- Reevaluate the mobile home storage program and the role of mobile homes as a temporary housing resource.
- Complete field testing and analysis of toll-free telephone registration concept and determine whether to implement on a permanent basis.

c. Public Assistance for Disaster Relief.

- Deliver public assistance in approximately 25 major disasters.
- Publish final regulations implementing the Robert T. Stafford Act.
- Continue aggressive action to close older disasters.
- Based on findings in Hurricane Hugo and the Loma Prieta earthquake, make improvements to the Public Assistance Program to assure the best possible response to future major disasters.
- Develop feasible ways and means to increase participation by Regional offices and States in the Section 414 Community Disaster Loan program.
- Develop enhancements to the Public Assistance Module of ADAMS.
- Review the floor cost formula used in the Section 420 Fire Suppression Assistance program in consultation with the Forest Service with a view towards developing alternative approaches.
- Conduct Public Assistance training for State officials.

d. Hazard Mitigation and Preparedness.

- Deliver Hazard Mitigation grant assistance in approximately 25 major disasters.
- Provide technical assistance and coordinate preparation of Hazard Mitigation Reports for major disasters.
- Increase the number of States with State level multi-hazard mitigation plans, thereby increasing overall preparedness and limiting subsequent post-disaster planning requirements.
- Continue to expand the data base on hazard mitigation measures as an evaluation tool to determine cost-savings created by the program.
- Incorporate hazard mitigation evaluation data into technical assistance and program administration materials.
- Improve functional program interrelationships with other agencies to use those programs more effectively in reducing disaster related damages.

- o Undertake the first major revision to the "Plan for Federal Response To A Catastrophic Earthquake" design and conduct tabletop exercise based on Northern Utah Wasatch Fault scenario; begin to finalize risk-area supplements to the Plan with funding under Earthquakes and Other Natural Hazards.

- o Identify, select and fund hazard mitigation projects supported by the Hazard Mitigation Assistance program funded under National Earthquake Program and Other Hazards.

e. Disaster Preparedness Improvement Grants.

- o Coordinate the delivery of grant assistance to a potential 59 applicants, with emphasis on improving State preparedness to deliver disaster assistance and to mitigate hazards through improved State disaster plans and training of personnel with disaster assignments.

6. 1991 Program. In 1991 FEMA requests $11,647,000 and 233 workyears under Salaries and Expenses for this activity, an increase of $393,000 over 1990. The program request for 1991 reflects a return to average disaster activity levels. However, during 1991, based on 1990 evaluations of FEMA response to Hurricane Hugo and the Loma Prieta earthquake, improvements will be made as necessary, to program management and administration based on comprehensive reviews of the large scale disasters during the previous year. The accomplishments projected for 1991 are noted below:

a. Management and Coordination.

- o Process requests for approximately 40 disaster and emergency declarations, with an estimated 28 potential declarations.

- o Provide program support guidance in approximately 28 major disasters. This includes management of personnel, property, vehicles, finances, and computer operations.

- o Conduct five regional and three field office reviews for each program area.

- o Provide for improvements to program management and delivery systems to the Regions, State and local jurisdictions.

- o Provide oversight and direction for policy and legislative initiatives.

- o Coordinate implementation of further additions and enhancements to disaster response and recovery automated systems in light of research, analysis, design and prototyping conducted during the previous year.

- Provide for evaluation and analyses of programs and their delivery systems to ensure that the monitoring mechanisms that are in place are current and operational.

b. Individual Assistance for Disaster Relief.

- Deliver individual assistance in approximately 22 major disasters.
- Complete policy, procedural and regulatory changes arising from the 1990 comprehensive program and performance analysis and evaluation.
- Complete enhancements to the individual assistance module of the Automated Disaster Assistance Management System and conduct training for regional staff.
- Complete the transition of the crisis counseling and disaster unemployment assistance programs to FEMA.
- Implement results of mobile home storage program evaluation.
- Implement toll-free telephone registration concept, if decision is made to do so.

c. Public Assistance for Disaster Relief.

- Deliver public assistance in approximately 25 major disasters.
- Continue aggressive action to close older disasters.
- Conduct public assistance training to State officials.
- Develop enhancements to the Public Assistance Module of ADAMS.
- Conduct quarterly meetings with other Federal agencies to coordinate areas of program interface and material support.

d. Hazard Mitigation.

- Deliver Hazard Mitigation grant assistance in approximately 25 major disasters.
- Provide technical assistance and coordinate preparation of Hazard Mitigation reports for major disasters.

- o Increase the number of States with State level multi-hazard mitigation plans, thereby increasing overall preparedness and limiting subsequent post-disaster planning requirements.

- o Continue to expand the data base on hazard mitigation measures as an evaluation tool to determine cost-savings created by the program.

- o Incorporate hazard mitigation evaluation data into technical assistance and program administration materials.

- o Improve functional program interrelationships with other agencies to use those programs more effectively in reducing disaster related damages.

- o Design and conduct at least one regional table top exercise; finalize regional procedural supplements to the Plan in all regions with funding under Earthquakes and Other Natural Hazards.

- o Identify, select and fund hazard mitigation projects supported by the Hazard Mitigation Assistance program.

e. Disaster Preparedness Improvement Grants.

- o Coordinate the delivery of grant assistance to a potential 59 applicants, with emphasis on improving State preparedness to deliver disaster assistance and to mitigate hazards through improved State disaster plans and training of personnel with disaster assignments.

1991 Increase/Decrease. A net increase of $393,000 for this activity reflects the following: (1) a net base increase of $223,000 to adjust resources to fully fund requested workyears and activities; (2) an increase of $138,000 for one half of estimated 1991 costs of a $3.6% 1991 GS/GM pay raise; and (3) an increase of $32,000 for one-half of estimated 1991 costs of SES and Executive 1991 pay raise.

7. Outyear Implications. No outyear implications over the 1991 request.

8. Advisory and Assistance Services. None.

SALARIES AND EXPENSES
EMERGENCY FOOD AND SHELTER
(Dollars in Thousands)

	1989 Actual		1990 Request		1990 Current Estimate		1991 Request		Increase/ Decrease	
Estimates by Program	WY	Amt	WY	Amt	WY	Amt	WY	Amt	WY	Amt
A. Emergency Food and Shelter (Budget Authority)	4	140	6	250	6	243	6	240	...	-3
Permanent Workyears										
Headquarters..........................	4	...	6	...	6	...	6	...	6	...
Regions...............................	...	...	...	...	...	...	...	...	...	...
Total Permanent...................	4	...	6	...	6	...	6	...	6	...
Total Workyears......................	4	...	6	...	6	...	6	...	6	...

Changes From Original 1990 Estimates: Reflects a Congressional decrease of $7,000 from a general reduction, sequester, and reprogramming as justified in the 1990 operating plan.

SALARIES AND EXPENSES
EMERGENCY FOOD AND SHELTER
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	$99	$154	$150	$152	$2
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	1	...	...	...	...
11.8 Special personal services payments	2	...	...	...	...
11.9 Total personnel compensation	102	154	150	152	2
Personnel benefits					
12.1 Civilian personnel	24	22	17	17	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	6	54	26	20	(6)
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	7	20	25	25	...
25.0 Other services	1	...	25	26	1
26.0 Supplies and materials	...	...	...	...	...
31.0 Equipment	...	...	...	...	...
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	140	250	243	240	(3)

A. Emergency Food and Shelter (EFS) Administration

1. Authority. The Stewart B. McKinney Homeless Assistance Act of 1987, as amended, Title III.

2. Objective/Element Description. Program administration resources support the funding of the activities coordinated by the National Board, program review, and oversight.

3. 1989 Accomplishments: In 1989 FEMA used $140,000 and 4 workyears for this activity under Salaries and Expenses. In addition to the coordination of funding through the National Board activities, program accomplishments included:

   - Program and documentation training during the spring and early summer in 31 cities across the nation; provided instruction to approximately 1,500 program participants.

   - Assisting with the implementation of Public Law 100-435, the Hunger Prevention Act of 1988. Emergency Food and Shelter staff linked up Local Boards and providers with U.S. Department of Agriculture contacts in their areas for the purpose of obtaining commodity goods for groups feeding homeless individuals and families.

   - Working with the U.S. Census Bureau to publicize its efforts to count homeless people on March 20, and April 1, 1990. This work included a briefing from Census staff for the National Board, a feature story on the count in the EFS NEW APPROACHES newsletter and referrals to Census Bureau regional offices for those interested in participating in the effort.

   - Setting up a system for the electronic transfer of funds to local recipient organizations. The system will be tested during fiscal year 1990 and will allow rapid movement of funds with built-in controls and documentation. This will allow the EFS program to get the needed funds "on the street" more rapidly than ever before.

   - Working with the Interagency Council on the Homeless (ICH) on several fronts including: the database assembled by the Council on all McKinney programs; transfer (from the Department of Health and Human Services to FEMA and EFS) of Food Bank eligibility certification to receive donations from Department of Defense commissaries; the ICH Newsletter; and participation in ICH Bi-Regional Conferences.

4. Changes from the 1990 Estimates. Reflects a Congressional reduction of $7,000 from a general reduction, sequester and reprogramming as justified in the 1990 operating plan.

5. 1990 Program. In 1990, FEMA is allocating $243,000 and 6 workyears to this program element under Salaries and Expenses. The emergency food and shelter National Board activities will include:

- Conducting additional site visits and spot audits to monitor agency expenditures.
- Continuing participation in activities sponsored by the Interagency Council in order to disseminate information to State and local officials on EFS Program policies and issues.
- Developing program information materials for a better understanding of program guidelines and use of EFS funds.
- Completing work on a new booklet on exemplary food, shelter and multi-service programs titled CHECKLIST FOR SUCCESS. An original volume on Exemplary Programs had been published by FEMA and the National Board in 1985. This new edition, being prepared for the EFS program by the National Alliance to End Homelessness, will seek to showcase replicable programs. The text will also highlight successful networking efforts at the city and State levels.
- Conducting a survey and study on EFS program effectiveness to be presented to OMB.
- Preparing an EENET Broadcast for September 1990 which will review program policies and provide a forum for discussion of future Federal policies on homeless assistance, particularly regarding emergency services.

6. 1991 Program. In 1991, FEMA requests $240,000 and 6 workyears under Salaries and Expenses for this activity, a decrease of $3,000 from 1990. In addition to coordination of funding through the National Board, program activities will include:

- Conducting site visits and spot audits to monitor agency expenditures.
- Participation in Interagency Council activities, particularly the smaller regional meetings for provider groups.
- Reviewing 1990 Census information as part of a comprehensive review of the Program funding formula.
- Coordinating training schedules with other McKinney Act programs for possible combined sessions.

1991 Increase/Decrease: A net decrease of $3,000 for this activity reflects the following: (1) a base decrease of $5,000 to adjust resources while fully funding requested workyears within overall deficit-reduction requirements; and (2) an increase of $2,000 for one-half of estimated 1991 costs of a 3.6% 1991

GS/GM pay raise.

7. Outyear Implications. No outyear implications over the 1991 request.

8. Advisory and Assistance Services. None.

SALARIES AND EXPENSES
MANAGEMENT AND ADMINISTRATION

Activity Overview

This activity includes consolidated support and operating costs for FEMA, as well as the salaries and related expenses for the following offices: Director's Office, General Counsel, Inspector General (through 1989), Chief of Staff, Security, Acquisition Management, Personnel and Equal Opportunity, Comptroller, Program Analysis and Evaluation, Administrative Support Staff, Other Administrative Expenses, Automatic Data Processing, Regional Operations, External Affairs, and Regional Executive Direction and Support.

Less than half of the Management and Administration request funds the requested workyears. The majority of FEMA's non-personnel Salaries and Expenses operating costs are requested in this activity. In 1991, for example, the Management and Administration request is made up of the following: personnel compensation and benefits (46%); rent, communications, and utilities (32%); service and maintenance contracts (14%); and an assortment of other non-workyear costs such as printing, equipment, supplies, shipping, and so on.

The 1991 budget requests $45,243,000 and 467 workyears, an increase of $2,261,000 and 3 workyears over 1990. The 1991 activity includes increases in several areas:

- A base decrease of $116,000 to achieve overall deficit reduction targets.
- An increase of $306,000 for GSA rent increases.
- An increase of $265,000 for one-half of estimated 1991 costs of a 3.6% 1991 GS/GM pay raise.
- An increase of $131,000 for one-half of estimated 1991 costs of SES and Executive 1991 pay raises.
- The reestablishment of the Program Analysis and Evaluation office after its inclusion in Comptroller (1989) and Chief of Staff's Office (1990).
- An increase of $401,000 and 3 workyears in General Counsel to provide resources for outside legal counsel to defend employees sued for performance of their duties and to pursue an active program of subrogation.
- An increase of $524,000 in Personnel and Equal Opportunity for the development and implementation of the drug testing program and the removal of architectural barriers which limit the handicapped access to FEMA facilities.
- An increase of $750,000 in Comptroller for the development and implementation of a financial management system which meets the standards of the Joint Financial Management Improvement Program.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

Estimates by Office	Page No.	1989 Actual WY	1989 Actual Amt.	1990 Request WY	1990 Request Amt.	1990 Current Estimate WY	1990 Current Estimate Amt.	1991 Request WY	1991 Request Amt.	Increase/Decrease WY	Increase/Decrease Amt.
A. Office of the Director	SE-69	6	$362	6	$490	6	$479	6	$505	...	$26
B. General Counsel	SE-72	20	1,165	21	1,252	20	1,207	23	1,630	3	423
C. Inspector General	SE-76	42	2,185	...	...	...	...	...	...	...	...
D. Chief of Staff's Office	SE-78	4	242	5	299	13	680	5	317	-8	-363
E. Security	SE-81	15	1,392	15	1,309	15	1,295	15	1,311	...	16
F. Acquisition Management	SE-83	35	1,680	37	1,704	37	1,666	37	1,687	...	21
G. Personnel and Equal Opportunity	SE-86	66	2,980	83	3,837	89	4,371	89	4,949	...	578
H. Comptroller	SE-90	88	4,746	91	4,590	77	3,664	77	4,465	...	801
I. Program Analyis and Evaluation	SE-93	...	...	...	...	...	...	8	386	8	386
J. Administrative Support Staff	SE-96	58	2,174	61	2,205	61	2,182	61	2,217	...	35
K. Other Administrative Expenses											
1. Rent	SE-99	...	8,932	...	10,157	...	9,094	...	9,400	...	306
2. Other	SE-101	...	4,314	...	4,493	...	3,570	...	3,570	...	...
L. Information Services											
1. Information Systems	SE-103	15	860	16	1,022	16	1,011	16	1,020	...	9
2. Administrative Telephones	SE-108	...	2,655	...	2,675	...	2,646	...	2,646	...	...
3. Office Automation	SE-110	...	539	...	539	...	234	...	234	...	...
M. Regional Operations	SE-113	5	260	5	287	5	284	5	287	...	3
N. External Affairs	SE-116	18	1,391	20	1,321	20	1,427	20	1,336	...	-91
O. Regional Executive Direction	SE-120	101	8,809	105	9,372	105	9,172	105	9,283	...	111
Total, Management & Administration (Budget Authority)		475	44,686	465	45,552	464	42,982	467	45,243	3	2,261
Permanent Workyears											
Headquarters		358		360		359		362		3	
Regions		117		105		105		105		...	
Total, Permanent		475		465		464		467		3	
Total Workyears		475		465		464		467		3	

Changes From Original 1990 Estimates

Reflects a net decrease of $2,570,000 for the following:

- **a decrease of $2,622,000 resulting from Congressional general reductions and sequester, including chargng of $1,200,000 in postage costs to Emergency Management Planning and Assistance appropriation**
- **a net increase of $52,000 from reprogrammings among FEMA Salaries and Expenses activities for high priority projects as justified in the 1990 operating plans.**

SALARIES AND EXPENSES
MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	$17,362	$16,868	$17,063	$18,188	$1,125
11.3 Other than full-time permanent	290	...	...	...	...
11.5 Other personnel compensation	287	397	353	...	(353)
11.8 Special personal services payments	141	...	...	...	...
11.9 Total personnel compensation	18,080	17,265	17,416	18,188	772
Personnel benefits					
12.1 Civilian personnel	2,756	2,561	2,903	2,785	(118)
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	750	962	917	1,053	136
22.0 Transportation of things	100	57	70	70	...
23.1 Rental payments to GSA	8,932	10,157	9,094	9,400	306
23.2 Rental payments to others	...	2	...	...	...
23.3 Communications, utilities, and miscellaneous charges	5,374	6,249	4,311	4,860	549
24.0 Printing and reproduction	327	640	394	362	(32)
25.0 Other services	5,399	6,089	5,811	6,207	396
26.0 Supplies and materials	1,070	949	1,263	1,293	30
31.0 Equipment	1,898	621	803	1,025	222
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	44,686	45,552	42,982	45,243	2,261

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

Estimates by Office	1989 Actual WY	1989 Actual Amt.	1990 Request WY	1990 Request Amt.	1990 Current Estimate WY	1990 Current Estimate Amt.	1991 Request WY	1991 Request Amt.	Increase/ Decrease WY	Increase/ Decrease Amt.
A. Office of the Director (Budget Authority)............	6	$362	6	$490	6	$479	6	$505	...	$26
Permanent Workyears										
Headquarters..........................	6		6		6		6		...	
Regions................................	...		...		...		...		...	
Total, Permanent..................	6		6		6		6		...	
Total Workyears......................	6		6		6		6		...	

Changes From Original 1990 Estimates.

Reflects a Congressional decrease of $11,000 resulting from a sequester and reprogramming as justified in the 1990 operating plan.

A. Office of the Director

1. Authority. Reorganization Plan No. 3 of 1978 and Executive Orders 12127 and 12148, as amended.

2. Objective/Office Description. This program includes the offices of the Director and the Deputy Director and exercises policy and managerial leadership in accomplishing FEMA's mission to plan for and recover from a broad spectrum of emergencies, ranging from imminent nuclear attack to natural disasters and disasters.

3. 1989 Accomplishments. In 1989, FEMA used $362,000 and 6 workyears for this office under Salaries and Expenses. Resources were used to oversee accomplishment of the Agency's goals and objectives and to establish credible working relationships in accomplishing those goals. This office maintained personal contact with senior policy officials in the National Security Council, White House Military Office, Office of Management and Budget, the Congress, and most Executive Branch departments and agencies through contacts, meetings, testimony, and exercises in order to coordinate the Agency's missions, and acted as the focal point for all levels of government in developing a national emergency management capability to deal effectively with any major emergency.

4. Changes From the 1990 Estimates. Reflects a decrease of $11,000 in response to a sequester and reprogrammings as justified in the 1990 operating plan.

5. 1990 Program. In 1990, FEMA is allocating $479,000 and 6 workyears to this office under Salaries and Expenses. This office will continue to conduct critical program evaluation and redetermination of program priorities based upon Presidential and National Security Council guidance, to ascertain necessity for statutory bases to advance FEMA institution building and improve operating effectiveness, and to promote new processes to achieve a higher level of Agency integration. Continued emphasis will be placed upon supporting the President's commitment to improve emergency mobilization preparedness.

6. 1991 Program. FEMA requests $505,000 and 6 workyears under Salaries and Expenses for this office, an increase of $26,000 over 1990. This office will continue to do the following:

   - Conduct critical program evaluation and redetermination of program priorities based upon Presidential and NSC guidance;
   - Ascertain necessity for statutory bases to advance Agency integration;
   - Ensure effective management of available personnel and budgetary resources; and
   - Pursue management improvements throughout the Agency.

1991 Increase/Decrease. An increase of $26,000 for this office reflects the following: (1) an increase of $3,000 for one-half of estimated 1991 costs of a 3.6% 1991 GS/GM pay raise; and (2) an increase of $23,000 for one-half of estimated 1991 costs of SES and Executive 1991 pay raises.

7. Outyear Implications. No outyear implications over the 1991 request.

8. Advisory and Assistance Services. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

Estimates by Office	1989 Actual WY	1989 Actual Amt.	1990 Request WY	1990 Request Amt.	1990 Current Estimate WY	1990 Current Estimate Amt.	1991 Request WY	1991 Request Amt.	Increase/ Decrease WY	Increase/ Decrease Amt.
B. General Counsel (Budget Authority)....	20	$1,165	21	$1,252	20	$1,207	23	$1,630	3	$423
Permanent Workyears										
Headquarters................	20		21		20		23		3	
Regions.....................	...		...		...		...		...	
Total, Permanent..........	20		21		20		23		3	
Total Workyears...............	20		21		20		23		3	

Changes From Original 1990 Estimates.

Reflects a decrease of $45,000 for the following:

- o a Congressional decrease of $13,000 for the sequester.
- o a transfer back of $32,000 and 1 workyear from General Counsel to Radiological Emergency Preparedness program, ending a one-year loan for legal assistance.

B. General Counsel

1. Authority. Reorganization Plan No. 3 of 1978 and Executive Orders 10480, 12127, 12148, 12656, 12657, and 12673, as amended.

2. Objective/Office Description. The General Counsel (GC) provides full statutory and legal support, advice, opinions, and services for all FEMA programs and activities.

3. 1989 Accomplishments. In 1989, FEMA used $1,165,000 and 20 workyears for this office under Salaries and Expenses. Activities included the following: The GC coordinated the Agency's legislative and regulatory programs, provided legal advice in all program areas, managed a large caseload of litigation, carried out the provisions of the Agency's FOIA/Privacy Act and Ethics program, and participated in 2 Radiological Emergency Preparedness (REP) licensing application cases before the Nuclear Regulatory Commission.

4. Changes From the 1990 Estimates. Reflects a decrease of $45,000 for the following: (1) a Congressional decrease of $13,000 for a general reduction and a sequester; and (2) a transfer back of 1 workyear and $32,000 from General Counsel to the Radiological Emergency Preparedness (REP) program, ending a one-year loan for legal assistance to that program.

5. 1990 Program. In 1990, FEMA is allocating $1,207,000 and 20 workyears to this office under Salaries and Expenses. With these resources, this office will do the following:

   - Coordinate, review, and clear Agency rules that govern programs and administrative processes.
   - Develop and coordinate legislative and regulatory initiatives to reflect management requirements.
   - Provide legal interpretations to Agency management on new legislation and regulations affecting Agency programs and activities.
   - Participate with the Department of Justice in the litigation of cases in the Federal, State, and local courts challenging decisions reached by Agency management and those acting on behalf of the Agency in conducting its programs.
   - Continue to review and determine Agency policies and practices in compliance with Federal laws.
   - Litigate all administrative cases before the Federal Labor Relations Authority (FLRA), Merit System Protection Board (MSPB), Board of Contract Appeals (BCA). (No assistance from the Department of Justice is available for agencies on these matters.)

- o Participate in 2 REP licensing application cases before the Nuclear Regulatory Commission, which involve 2 multi-billion dollar plants. The only remaining issue before the granting of a full-power license is the offsite emergency planning.
- o Continue to review actions proposed and undertaken by Agency officials for soundness of legal approach.
- o Support Agency officials at Congressional appearances.
- o Coordinate Agency response to Congress for FEMA views on pending legislation.
- o Prepare, coordinate, and manage the development of Agency regulations implementing Federal statutes, Executive Orders, and other directives.
- o Develop policy guidance and coordinate FOIA, and Privacy Act, and Ethics program activities Agency-wide.
- o Continue, to the extent that resources are available, to support the FEMA Inspector General's effort to prevent, seek out, and eliminate fraud, waste and abuse in the Agency's programs and operations.

6. 1991 Program. FEMA requests $1,630,000 and 23 workyears for this office, an increase of $423,000 and 3 workyears over 1990. This level will provide for the following:

- o Increased effort in subrogation, claims collection and support to the FEMA statutory Inspector General's efforts to prevent, seek out and eliminate fraud, waste and abuse. This function has the potential to be income-producing, or at a minimum, cost neutral. FEMA statutes allow for the deposit of recoveries to some program accounts (e.g., flood, crime and disaster). Using these authorities, GC recovered over $12 million for the flood and disaster programs when subrogation was actively pursued.
- o Review of actions proposed and undertaken by Agency officials for soundness of legal approach.
- o Coordination, review, and clearance of Agency rules that govern programs and administrative processes.
- o Expanded participation in the development and coordination of legislative and regulatory initiatives to reflect management requirements.
- o Legal interpretations for Agency management on legislative and regulatory developments affecting Agency programs and activities.

- Participation with the Department of Justice in the litigation of cases in the Federal, State, and local courts challenging decisions reached by Agency management and those acting on behalf of the Agency in conducting its programs.
- Review and determination of Agency policies and practices in compliance with Federal laws.
- Litigation of all administrative cases before the Federal Labor Relations Authority (FLRA), Merit System Protection Board (MSPB), Board of Contract Appeals (BCA), with no assistance from the Department of Justice.
- Participation in all REP licensing application cases.
- Support to Agency officials at Congressional appearances.
- Coordination of Agency response to Congress of FEMA views on pending legislation.
- Preparation, coordination, and management of the development of Agency regulations implementing Federal statutes, Executive Orders, and other directives.
- Development of policy guidance and coordination of FOIA, Privacy Act, and Ethics activities Agency-wide.
- Defense of Agency personnel sued for performance of duties.
- Upgrade of existing computer system and the acquisition of Agency-compatible equipment and software to support the applications of GC.

1991 Increases/Decreases. The 1991 request includes an increase of 3 workyears and $423,000 for the following: (1) an increase of $13,000 for one-half of estimated 1991 costs of a 3.6% 1991 GS/GM pay raise; (2) an increase of $9,000 for one-half of estimated 1991 costs of SES and Executive 1991 pay raises; and (3) an increase of 3 workyears and $401,000 for the level of services necessary to cover FEMA programs, including an active subrogation program and support to the statutory Inspector General (IG), thereby providing an income-producing ability or at minimum, a cost neutral operation. The GC and the IG have the potential to recover millions of dollars to FEMA programs; when subrogation was actively pursued, $2-4 million a year was recovered and deposited to the disaster and flood insurance programs.

7. Outyear Implications. No outyear implications over the 1991 request.

8. Advisory and Assistance Services. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

Estimates by Office	1989 Actual WY	1989 Actual Amt.	1990 Request WY	1990 Request Amt.	1990 Current Estimate WY	1990 Current Estimate Amt.	1991 Request WY	1991 Request Amt.	Increase/ Decrease WY	Increase/ Decrease Amt.
C. Inspector General (Budget Authority)............	42	$2,185	...	...	...	...	...	...	...	...
Permanent Workyears										
Headquarters..........................	28		...		...		...		...	
Regions...............................	14		...		...		...		...	
Total, Permanent..................	42		...		...		...		...	
Total Workyears.........................	42		...		...		...		...	

Changes From Original 1990 Estimates. See Inspector General appropriation.

C. Inspector General

1. Authority. Reorganization Plan No. 3 of 1978; Executive Order 12127; Executive Order 12148, as amended.

2. Objective/Office Description. The Inspector General (IG) provides audit and investigative support services for FEMA covering all Agency programs and operations. IG objectives are to prevent and detect fraud, waste and abuse and to improve economy and efficiency in the administration of FEMA programs and operations. Activities are planned and conducted in response to requirements of laws, regulations, and Congressional and OMB directives; specific requests from the Director and other FEMA management officials; and allegations received from Agency employees and other sources.

3. 1989 Accomplishments. In 1989, FEMA used $2,185,000 and 42 workyears for this Office under Salaries and Expenses. The accomplishments in the audit area are as follows: Issued 49 audit reports: 19 on FEMA internal operations, and 30 on recipients of FEMA funds. The 19 internal audits included reviews of FEMA's external reporting practices; efforts to evaluate and improve its internal controls; administration of imprest funds; and year-end spending practices. The 30 reviews of recipients of FEMA funds were in the program areas of Disaster Relief, Civil Defense, Emergency Food & Shelter; and Fire Prevention and Control. During 1989, the OIG also reviewed and processed 114 audit reports, covering $117 million, prepared by State auditors or Certified Public Accounting (CPA) firms and performed pursuant to the Single Audit Act. In the area of investigations, 110 cases were opened; 70 cases were closed; and 195 were pending at end of 1989; obtained 1 indictment, 2 convictions, 2 pretrial diversions, initiated 1 civil suit against people who defrauded FEMA, and investigated 7 cases of misconduct by FEMA employees which resulted in removal or other disciplinary action. Investigations are continuing involving a ring of insurance adjusters operating to defraud FEMA, false "Write Your Own" claims under the National Flood Insurance Program, and possible fraud involving over $20 million in disaster assistance.

4. Changes from the 1990 Estimates: See Inspector General appropriation.

5. 1990 Program. See Inspector General appropriation.

6. 1991 Program. See Inspector General appropriation.

   1991 Increases/Decreases. See Inspector General appropriation.

7. Outyear Implications. See Inspector General appropriation.

8. Advisory and Assistance Services. See Inspector General appropriation.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

	1989 Actual		1990 Request		1990 Current Estimate		1991 Request		Increase/ Decrease	
Estimates by Office	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.
D. Chief of Staff's Office (Budget Authority)	4	$242	5	$299	13	$680	5	$317	-8	-$363
Permanent Workyears										
Headquarters..........................	4		5		13		5		-8	
Regions................................	...		...		...		...		...	
Total, Permanent..................	4		5		13		5		-8	
Total Workyears.........................	4		5		13		5		-8	

Changes From Original 1990 Estimates.

Reflects a net increase of $381,000 for the following:

- o a Congressional decrease of $7,000 for a sequester.
- o a transfer of $388,000 and 8 workyears from Comptroller for the reestablishment of a separate Office of Program Analysis and Evaluation.

D. Chief of Staff's Office

1. Authority. Reorganization Plan No. 3 of 1978 and Executive Orders 12127 and 12148, as amended.

2. Objective/Office Description. The Chief of Staff's office provides policy coordination, executive liaison, special projects, and administrative activities for the Director and provides for coordination and accomplishment of staff office activities. This office oversees the activities and functions of the offices of: Security, Personnel and Equal Opportunity, Program Analysis and Evaulation, Administrative Support, and Acquisition Management. It also provides guidance and direction to the following offices: Comptroller, General Counsel, Inspector General, Training, and Regional Operations.

3. 1989 Accomplishments. In 1989, FEMA used $242,000 and 4 workyears for this office under Salaries and Expenses. During 1989, the Chief of Staff's office coordinated and provided management support for the Offices of the Director and Deputy Director and identified and determined requirements and resources essential to project accomplishment and achievement of FEMA's goals and objectives.

4. Changes From the 1990 Estimates. Reflects a net increase of $381,000 for the following: (1) a Congressional decrease of $7,000 for a sequester; and (2) a transfer of 8 workyears and $388,000 from Comptroller for the reestablishment of a separate office of Program Analysis and Evaluation.

5. 1990 Program. In 1990, FEMA is allocating $680,000 and 13 workyears to this office under Salaries and Expenses. This office will perform a range of administrative management tasks for the Director, such as correspondence control; review of documents for the Director's action to ensure all significant issues, alternatives, and consequences have been considered; distribution of information from the Director to ensure FEMA managers are kept informed of the status of issues submitted to the Director; policy coordination for the separate FEMA components to ensure comprehensiveness and consistency; coordination of agenda and briefing materials for staff meetings of all FEMA managers; and screening problems to determine whether particular matters should be submitted to the Director for resolution and reply, or whether action by an office head would be more appropriate. In addition, the responsibilities of the office of Program Analysis and Evaluation will be funded from this program for 1990 only.

6. 1991 Program. FEMA requests $317,000 and 5 workyears under Salaries and Expenses for this office, a net decrease of 8 workyears and $363,000 from 1990. This office will continue to do the following:

   - o Monitor established goals and objectives of FEMA in accordance with the Administration and national security interests.

   - o Provide necessary administrative management support for the offices of the Director and Deputy Director.

- Continue to emphasize affirmative action programs.
- Continue the emphasis on FEMA's security programs.
- Identify and determine requirements and resources essential to project accomplishment and achievement of FEMA's goals and objectives.
- Distribute information from the Director to ensure FEMA managers are kept informed of the status of issues.

1991 Increases/Decrease. The 1991 request reflects a net decrease of 8 workyears and $363,000 for the following: (1) an increase of $3,000 for one-half of estimated 1991 costs of a 3.6% 1991 GS/GM pay raise; (2) an increase of $15,000 for one-half of estimated 1991 costs of SES and Executive 1991 pay raises; and (3) a transfer of 8 workyears and $381,000, reflecting the transfer of resources to Program Analysis and Evaluation, a decrease to transferred base of $7,000 to adjust resources within overall deficit reduction requirements.

7. Outyear Implications. No outyear implications over the 1991 budget.

8. Advisory and Assistance Services. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

Estimates by Office	1989 Actual		1990 Request		1990 Current Estimate		1991 Request		Increase/ Decrease	
	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.
E. Security (Budget Authority).......	15	$1,392	15	$1,309	15	$1,295	15	$1,311	...	16
Permanent Workyears										
Headquarters....................	15		15		15		15		...	
Regions.........................	...		...		...		...		...	
Total, Permanent.............	15		15		15		15		...	
Total Workyears..................	15		15		15		15		...	

Changes from Original 1990 Estimates.

Reflects a Congressional decrease of $14,000 for a sequester.

E. Security

1. Authority. Reorganization Plan No. 3 of 1978 and Executive Orders 12127 and 12148, as amended.

2. Objective/Office Description. This offibe develops, implements, and administers security policies and procedures affecting the security of all FEMA facilities, personnel, programs and operations. Conducts background investigations in accordance with Executive Orders 12156 and 10450 and Office of Personnel Management (OPM) Federal Personnel Manual.

3. 1989 Accomplishments. In 1989, FEMA used $1,392,000 and 15 workyears for this office under Salaries and Expenses. Resources were used to perform security classifications; technical, industrial, physical and operations security reviews; special investigations; granting of clearances and special accesses; briefings and debriefings; visitor access processing; issuing of identification badges; processing of DD-254's; and mandatory declassification reviews.

4. Changes From the 1990 Estimates. Reflects a Congressional decrease of $14,000 resulting from a sequester.

5. 1990 Program. In 1990, FEMA is allocating $1,295,000 and 15 workyears to this office under Salaries and Expenses. This office will continue to meet security support requirements for Federal Preparedness related programs, as well as administer security policies and programs affecting all FEMA facilities, personnel, and operations.

6. 1991 Program. FEMA requests $1,311,000 and 15 workyears under Salaries and Expenses for this office, an increase of $16,000 over 1990. This office will continue to administer and evaluate security policies, procedures, and programs and operations affecting all FEMA personnel, facilities, and assets.

   1991 Increase/Decrease. An increase of $16,000 includes $9,000 for one-half the estimated costs of a 1991 GS/GM pay raise, and $7,000 for one-half the estimated costs of SES and Executive 1991 pay raises.

7. Outyear Implications. No outyear implications over the 1991 request.

8. Advisory and Assistance Services. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

	1989 Actual		1990 Request		1990 Current Estimate		1991 Request		Increase/ Decrease	
	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.
Estimates by Office										
F. Acquisition Management (Budget Authority).......	35	$1,680	37	$1,704	37	$1,666	37	$1,687	...	$21
Permanent Workyears										
Headquarters.....................	35		37		37		37		...	
Regions..........................	...		...		...		...		...	
Total, Permanent.............	35		37		37		37		...	
Total Workyears..................	35		37		37		37		...	

Changes From Original 1990 Estimates. Reflects a Congressional decrease of $18,000 resulting from a sequester and a reprogramming of $20,000 as justified in the 1990 operating plans.

F. Acquisition Management

1. Authority. Reorganization Plan No. 3 of 1978; Executive Orders 12127 and 12148, as amended.

2. Objective/Office Description. The office of Acquisition Management (AQ) awards and administers acquisition and assistance instruments in support of the various FEMA programs.

3. 1989 Accomplishments. In 1989, FEMA used $1,680,000 and 35 workyears under Salaries and Expenses. This office accomplished the award of $300 million for critical contractor support to meet the Agency's varied program requirements and diverse missions; planned for and reviewed 500 procurement plans, effectively assuring that the Agency's contracts supported the Agency's missions without waste and duplication; completed a comprehensive review of the contracting activities of six Regional Offices and three interim reviews; provided seven procurement training sessions for Project Officers and program managers regarding their role in awarding and administering contracts; conducted the annual procurement conference for all regional procurement personnel; enhanced automated systems, continued training and development on the Agency's automated procurement system, and the timely reporting of FEMA contract and grant award data through the Office Management Information System, which increased efficiency to award and manage the Agency's procurement dollars.

4. Changes from the 1990 Estimates. Reflects a decrease of $38,000 resulting from a $18,000 sequester and a reprogramming of $20,000 as justified in the 1990 operating plan.

5. 1990 Program. In 1990, FEMA is allocating $1,666,000 and 37 workyears to this office under Salaries and Expenses. This office will complete the following:

- o Negotiate, award, administer, and close-out contracts, grants, cooperative agreements, and purchase orders in support of the various FEMA programs.
- o Provide guidance and training on procurement policy to all activities.
- o Strengthen controls over procurement activities.
- o Through a goal-setting process, continue to reduce noncompetitive procurement and increase competition.
- o Submit a report to the Director and the Congress identifying any barriers to competition.

6. 1991 Program. FEMA requests $1,687,000 and 37 workyears under Salaries and Expenses for this Office, an increase of $21,000 over 1990. This office will continue to support various FEMA programs as follows.

- o Administer and coordinate the Procurement Planning System for all Agency procurement requirements.

- o Negotiate, award, administer, and close-out contracts, grants, cooperative agreements, and purchase orders in support of the Agency's programs.

- o Enhance, and provide training for, the automated procurement system used to support the award of solicitations, contracts, modifications and purchase orders.

- o Provide guidance and training on procurement requirements and activities for the Agency.

- o Strengthen controls over procurement activities.

- o Increase competition, continue to identify barriers to competition, and reduce noncompetitive procurement.

- o Provide DCAA audit support for the Agency, including reduced level of special requests.

1991 Increases/Decreases. An increase of $21,000 for this office will provide one-half of estimated 1991 costs of a 3.6% 1991 GS/GM pay raise.

7. Outyears Implications. No outyear implications over the 1991 request.

8. Advisory and Assistance Services. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

Estimates by Office	1989 Actual WY	1989 Actual Amt.	1990 Request WY	1990 Request Amt.	1990 Current Estimate WY	1990 Current Estimate Amt.	1991 Request WY	1991 Request Amt.	Increase/ Decrease WY	Increase/ Decrease Amt.
G. Personnel and Equal Opportunity (Budget Authority)............	66	$2,980	83	$3,837	89	$4,371	89	$4,949	...	$578
Permanent Workyears										
Headquarters...........................	66		83		89		89		...	
Regions................................	...		...		...		...		...	
Total, Permanent....................	66		83		89		89		...	
Total Workyears..........................	66		83		89		89		...	

Changes From Original 1990 Estimates.

Reflects a net increase of 6 workyears and $534,000 for the following:

Increases:

- o an increase of 6 workyears and $480,000 resulting from a 1989 mid-year transfer of resources associated with the payroll function from office of the Comptroller to the office of Personnel and Equal Opportunity, as part of the Agency's move to the Department of Agriculture Integrated Personnel/Payroll System.

- o a reprogramming of $100,000 from other Agency Salaries and Expenses accounts for the following:
  $20,000 for the NFC payroll conversion cost in 1990.
  $30,000 for employee assistance counseling.
  $50,000 for contract investigations for Equal Employment Opportunity.

Decrease:

- o a Congressional decrease of $44,000 for a general reduction and sequester.

G. Personnel and Equal Opportunity

1. **Authority**. Reorganization Plan No. 3 of 1978 and Executive Orders 12127 and 12148, as amended.

2. **Objective/Office Description**. Develops, implements, and evaluates FEMA's personnel management programs and policies. Provides overall planning, development, direction, and implementation of equal opportunity programs within FEMA. Provides for the management and operations of the Emergency Management Career Intern Program, as well as salaries, benefits and travel costs for interns.

3. **1989 Accomplishments**. In 1989, FEMA used $2,980,000 and 66 workyears for this office under Salaries and Expenses. This office provided overall management for the further development and refinement of the FEMA Career Intern Program; completed staffing and operational implementation of a Field Personnel Operations Division in Emmitsburg, MD; continued to reduce the Agency vacancy rate; reorganized the office to transfer the Payroll Division's staff and responsibilities to the personnel office in preparation for conversion to the Department of Agriculture Personnel/Payroll System; recruited and entered on duty 25 interns as the second class of Emergency Management Career Interns; completed the planning, coordination, training, testing, and data lease review necessary for conversion to Department of Agriculture personnel/payroll processing system; completed the planning for conversion to Department of Agriculture time and attendance reporting system; obtained approval for development and implementation of a system to concurrently delegate classification and payroll management authority to line management during 1989 and 1990; negotiated two labor contracts; clarified bargaining status of Region I; completed the transition plans for identification and removal of architectural barriers for disabled persons; developed and presented an Emergency Education Network (EENET) conference on evacuation and shelter of persons with disabilities; developed Affirmative Employment Plan (AEP) recommendations from EO Task Force decisions; implemented new Civil Rights regulations under Section 504, Rehabilitation Act of 1973, nondiscrimination on the basis of handicaps in Federally-conducted programs; and developed and implemented Temporary Leave Transfer Program.

4. **Changes From the 1990 Estimates**. Reflects a net increase of $534,000 and 6 workyears for the following: (1) a reprogramming of $100,000 from other FEMA Salaries and Expenses accounts to fund $20,000 for the NFC payroll conversion cost in 1990, $30,000 for employee assistance counseling, and $50,000 for contract investigations for equal employment opportunity; (2) an increase of 6 workyears and $480,000 resulting from annualizing a 1989 mid-year transfer of resources associated with the payroll function from office of the Comptroller to the office of Personnel and Equal Opportunity, as part of the Agency's move to the Department of Agriculture Integrated Personnel/Payroll System; and (3) a Congressional decrease of $44,000 for a general reduction and sequester.

5. **1990 Program**. In 1990, FEMA is allocating $4,371,000 and 89 workyears to this office under Salaries and Expenses. Tasks to be accomplished include the following:

   - Further institutionalize the Emergency Management Intern Program, including refinement of program policies and procedures.

- Broaden the Senior Executive Service (SES) Program (i.e., affirmative employment recruitment, Executive Development Program).
- Increase use of standardized position descriptions, crediting plans and performance plans.
- Monitor new "Time and Attendance" fully automated system and develop audit functions, as appropriate.
- Complete training necessary to fully integrate payroll/personnel assistant functions.
- Identify and prioritize personnel and equal opportunity policies requiring development and/or revision.
- Continue efforts to increase employment by FEMA of handicapped persons, particularly veterans with 30 percent or greater disability.
- Develop and implement policy on AIDS in the workplace.
- Sponsor and develop HENET conference for hearing impaired.
- Develop and implement Voluntary Leave Transfer/Leave Bank Program.
- Continue implementation of the first and second years' goals of FEMA's 5-year Affirmative Action Plan to include developing pilot programs to implement AEP initiatives.
- Implement "Manage to Payroll" concept.

6. 1991 Program. FEMA requests $4,949,000 and 89 workyears under Salaries and Expenses for this office, an increase of $578,000 over 1990. These resources will provide for the following activities:

   - Personnel Management Activities and Administration and Management Advisory Services - Includes work in all areas of human resources management, including the following activities:

     - Policy development
     - Performance management
     - Employee relations
     - Incentive awards
     - Employee benefits and services
     - Labor management relations
     - Position classification
     - Position management
     - Recruitment
     - Internal placement
     - Employee development
     - Processing of personnel actions
     - Maintenance of the Agency personnel information system.

- Equal Opportunity Activities:

  - Complaint processing
  - External civil rights compliance
  - Affirmative action programs
  - Provision of EO training for managers, supervisors, and counselors.

1991 Increases/Decreases. The 1991 request includes an increase of $578,000 for the following: (1) an increase of $49,000 for one-half of estimated 1991 costs of a 3.6% 1991 GS/GM pay raise; (2) an increase of $5,000 for one-half of estimated 1991 costs of SES and Executive 1991 pay raises; (3) an increase of $74,000 to implement and operate the FEMA Drug Testing Program; and (4) an increase of $450,000 to fund Architectural Barrier Removal projects to obtain compliance with Section 504 of the Rehabilitation Act of 1973, as amended.

7. Outyear Implications. No outyear implications over the 1991 request.

8. Advisory and Assistance Services. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

Estimates by Office	1989 Actual MY	1989 Actual Amt.	1990 Request MY	1990 Request Amt.	1990 Current Estimate MY	1990 Current Estimate Amt.	1991 Request MY	1991 Request Amt.	Increase/Decrease MY	Increase/Decrease Amt.
N. Comptroller (Budget Authority)..........	88	$4,746	91	$4,590	77	$3,664	77	$4,465	...	$801
Permanent Workyears										
Headquarters......................	88		91		77		77		...	
Regions...........................	...		...		...		...		...	
Total, Permanent..............	88		91		77		77		...	
Total Workyears....................	88		91		77		77		...	

Changes From Original 1990 Estimates. Reflects the decrease of $926,000 for the following:

- o a transfer of 6 workyears and $480,000 from Comptroller, transferring payroll functions to Personnel and Equal Opportunity.
- o a transfer of 8 workyears and $388,000 from Comptroller, transferring Program Analysis and Evaluation to the Chief of Staff's Office.
- o a decrease of $38,000 for a reduction and sequester.
- o a reprogramming of $20,000 as justified in the 1990 operating plan.

H. Comptroller

1. Authority. Reorganization Plan No. 3 of 1978 and Executive Orders 12127 and 12148, as amended.

2. Objective/Office Description. The Comptroller is the principal advisor to the Director on financial and resource management matters. In this context, the Office conducts analyses and evaluations of Agency financial management and resource issues; formulates and executes the Agency's budget, operates an Agency-wide accounting system to record, process, and report financial transactions; establishes financial goals, policies, and procedures; provides resource and financial management training for Agency personnel; and provides automated systems analysis and design for Agency resource management activities.

3. 1989 Accomplishments. In 1989, FEMA used $4,746,000 and 88 workyears for this office under Salaries and Expenses. The office continued ongoing efforts to enhance and implement efficient and effective resource and financial management practices to ensure a high standard of fiscal integrity in FEMA. Specific accomplishments included the following: establishment of a Financial Management Systems Task Force to evaluate the current system for compatibility with the Core Financial Systems requirements and provide recommendations and an action plan for system improvement; conversion of the Agency's payroll system from the Treasury Department to the Department of Agriculture's National Finance Center; provision of financial policy and procedures guidance and training to Headquarters and Regional personnel in the areas of imprest funds, letter of credit, FEMA Comprehensive Cooperative Agreement program, and travel and relocation services; completion of financial management/internal control reviews in Philadelphia and New York Regions, as well as the FEMA Special Facility and National Emergency Training Center; completion of indirect cost reviews for the States of Iowa and Washington; and continuation of support for the financial management systems of two other Federal agencies through cross-servicing agreements under REFORM 88.

4. Changes From the 1990 Estimates. Reflects a decrease of $926,000 for the following: the transfer of 6 workyears and $480,000 from the Comptroller (payroll office functions) to Personnel and Equal Opportunity; a transfer of 8 workyears and $408,000 from the Comptroller, transferring Program Analysis and Evaluation to the Chief of Staff's Office; and a Congressional decrease of $38,000 for a general reduction, sequester and reprogrammings as justified in the 1990 operating plan.

5. 1990 Program. In 1990, FEMA is allocating $3,664,000 and 77 workyears to this office under Salaries and Expenses. The Comptroller will continue efforts to improve resource and financial management practices, financial management systems and general management practices at FEMA. The Comptroller maintains seven goals for 1990:

   - Operate the Agency's financial management system.
   - Evaluate the Agency's financial management system.
   - Develop improvements to the Agency's financial management system.

- Report resource management information.
- Strengthen the office's competence, capability and capacity.
- Oversee and maintain internal controls in financial management and resource activities.

6. 1991 Program. FEMA requests $4,465,000 and 77 workyears under Salaries and Expenses for this Office, an increase of $801,000 over 1990. This funding level will enable this Office to perform the following activities:

   - Implement improvements to the Agency's financial management system in order to make it compatible with the Core Financial Systems requirements.
   - Continue financial management and internal control oversight and vulnerability assessments for FEMA program offices, Regional offices and field activities.
   - Continue to provide financial management training and guidance to FEMA Headquarters, Regional and field personnel.
   - Continue to improve resource management information reporting.
   - Continue to improve financial management in the comprehensive cooperative agreement program and major FEMA program areas.
   - Continue to provide automated accounting services to the Federal Labor Relations Authority and the Selective Service System consistent with REFORM 88.

1991 Increases/Decreases. The 1991 increase of $801,000 includes the following: (1) an increase of $44,000 for one-half of estimated 1991 costs of a 3.6% 1991 GS/GM pay raise; (2) an increase of $7,000 for one-half of estimated 1991 costs of SES and Executive 1991 pay raises; and (3) an increase of $750,000 for the implementation of the mandatory requirement to improve the Agency's financial management system by conforming this system to the standards of the Core Financial Management System, which was established by the Department of Treasury, Office of Management and Budget and the General Accounting Office.

7. Outyear Implications. In the outyears, the Comptroller will continue to strengthen the financial and resource management system by implementing the 5-year financial systems plan and will develop by 1994 an on-line, user-friendly automated financial management system that is responsive to the needs of FEMA and other Federal agencies cross-serviced by FEMA for financial management system support.

8. Advisory and Assistance Services. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

Estimates by Office	1989 1/ Actual WY	1989 1/ Actual Amt.	1990 2/ Request WY	1990 2/ Request Amt.	1990 2/ Current Estimate WY	1990 2/ Current Estimate Amt.	1991 Request WY	1991 Request Amt.	Increase/ Decrease WY	Increase/ Decrease Amt.
I. Program Analysis and Evaluation (Budget Authority)............	...	...	...	...	...	...	8	$386	8	$386
Permanent Workyears										
Headquarters........................	...		...		...		8		8	
Regions.............................	...		...		...		...		...	
Total, Permanent..................	...		...		...		8		8	
Total Workyears......................	...		...		...		8		8	

Changes From Original 1990 Estimates. See footnotes below.

1/During 1989, Program Analysis and Evaluation was funded from Comptroller.

2/During 1990, Program Analysis and Evaluation is funded under the Chief of Staff's Office.

I. Program Analysis and Evaluation

1. **Authority**. Reorganization Plan No. 3 of 1978 and Executive Orders 12127 and 12148, as amended.

2. **Objective/Office Description**. Program Analysis and Evaluation (PA&E) formulates the Agency's program analysis and evaluation policies, plans, programs, and procedures. PA&E serves as a major management tool for the Director by assisting in the analysis and development of issues for the Director's use in his decision-making and policy formulation process.

3. **1989 Accomplishments**. During 1989, PA&E was funded within the office of the Comptroller.

   o Developed a repository of evaluative information on criteria, methodology, and activities and served as a clearinghouse on evaluation for FEMA.

   o Conducted program and resource analysis, special studies, and evaluative projects.

   o Provided support necessary to the successful development and implementation of a strategic planning process at FEMA.

   o Provided Agency-wide support to the senior internal control official in carrying out FEMA's internal controls to develop, coordinate, and implement the Agency's internal control evaluation system.

   o Began development of an evaluation implementation strategy that is integrated with the Agency strategic planning process.

   o Improved the Director's annual program reporting process with emphasis on selecting priority issue areas and conducting analysis and special studies.

   o Prepared the Director's year-end internal control report to the President and the Congress.

4. **Changes From the 1990 Estimates**. Resources subsumed under the Chief of Staff's Office.

5. **1990 Program**. In 1990, FEMA transferred $388,000 and 8 workyears for PA&E from Comptroller to the Chief of Staff's Office. PA&E will continue to provide assistance to program managers and top management through studies and analysis of major policy issues, and coordinate internal controls. PA&E is responsible for overseeing the internal controls program for the Agency and supporting the senior internal control official by coordinating FEMA's overall effort to comply with the 1982 Federal Manager's Financial Integrity Act and requirements of OMB Circular A-123; developing and implementing Agency-level planning and management systems, including monitoring achievement of Agency goals and objectives; and conducting special studies and projects to support executive decision-making.

6. 1991 Program. FEMA requests $386,000 and 8 workyears under Salaries and Expenses for this office. PA&E will undertake the following:

- Conduct special studies and projects to support executive decision-making.
- Conduct policy and issues analyses for executive-level management.
- Conduct program and resource analysis, special studies, and evaluative projects.
- Continue development of an evaluation implementation strategy that is integrated with the Agency strategic planning process.
- Continue to improve the Director's quarterly program reviews of program accomplishments.
- Continue to provide Agency-wide support to the senior internal control official in carrying out FEMA's internal controls to develop, coordinate, and implement the Agency's internal control evaluation system.
- Prepare the Director's year-end report to the President and the Congress on FEMA's internal controls.

1991 Increases/Decreases. The 1991 request includes a reestablishment of PA&E for 8 workyears and $386,000.

7. Outyear Implications. No outyear implications over the 1991 request.

8. Advisory and Assistance Services. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

Estimates by Office	1989 Actual		1990 Request		1990 Current Estimate		1991 Request		Increase/ Decrease	
	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.
J. Administrative Support Staff (Budget Authority)..........	58	$2,174	61	$2,205	61	$2,182	61	$2,217	...	$35
Permanent Workyears										
Headquarters......................	58		61		61		61		...	
Regions...........................	...		...		...		...		...	
Total, Permanent................	58		61		61		61		...	
Total Workyears......................	58		61		61		61		...	

Changes From Original 1990 Estimates.

Reflects a Congressional decrease of $23,000 for a sequester.

J. Administrative Support Staff

1. **Authority**. Reorganization Plan No. 3 of 1978; and Executive Orders 12127 and 12148, as amended.

2. **Objective/Office Description**. Administrative Support staff provides centralized management for a variety of support services needed to sustain FEMA Headquarters' activities such as printing, procurement, graphic arts and design, office services, transportation, mail operations, publications storage and distribution, space management and other common support activities; management of the FEMA Headquarters facility (Federal Center Plaza, 500 C Street, S.W., Washington, D.C. 20472); management of property (including real property) and utilization of personal property and motor vehicles; administration of a variety of related administrative programs, such as records management, energy conservation, and the Information Collection Budget.

3. **1989 Accomplishments**. In 1989, FEMA used $2,174,000 and 58 workyears for this Office under Salaries and Expenses. The Administrative Support functional area continued to provide support services to the FEMA Headquarters and its programs and to provide policy guidance in those administrative support areas that have Agency-wide application. A series of reviews were conducted on FEMA's operations to identify potential improvements and refinements and to reduce costs. The following accomplishments contributed to improved services or reduced costs over the 1988 level:

   - o **Space Management**. Attained a net reduction for FEMA of 3,645 square feet of space in GSA buildings nationwide; completed 94% of the total number of FEMA construction projects submitted to GSA for contracting; established an Agency-wide capital property inventory system using bar code technology.
   - o **Library Services**. Achieved a savings of $12,000 by controlling subscription inventory and requests.
   - o **Records Management**. Transferred 689 cubic feet of Agency records to the FEMA Records holding area and Federal Records Center, thereby by reducing storage costs and eliminating the requirement to purchase new file cabinets and safes.
   - o **Information Collections**. Achieved a reduction of 48,606 burden hours, a reduction of 6.7% over 1988.
   - o **Support Services**. Processed 13,000 requests (requisitions or orders) for goods and services in support of Headquarters operations, a 61% increase over 1988; processed 1,600 requests to issue or replace administrative equipment and furniture (desks, typewriters, calculators, etc.), a 6% increase over 1988; processed 15,500 requests for miscellaneous services (office moves, movements of supplies and equipment, minor building repairs, etc.), a 5% increase over 1988.
   - o **Publications**. In the first three quarters of 1989, processed 21,719 requests for FEMA publications and forms, a 10% increase from 1988. 3,927,409 copies of a variety of FEMA printed matter were distributed.

- Printing. Processed a total of 4,377 print requests, a 31% increase over 1988. 2,670 requests were for in-house printing and 1,707 for printing by the Government Printing Office.

- Graphic Arts Services. Continued actions to incorporate state-of-the-art microcomputer technology into day-to-day operations. The implementing of computer-generated graphics eliminates time-consuming, obsolete equipment, and provides faster response. Processed 781 graphic arts requests, a 13% decrease from 1988. Produced a total of 17,525 items, a 33% increase over 1988.

4. Changes From the 1990 Estimates. Reflects a Congressional decrease of $23,000 for a sequester.

5. 1990 Program. In 1990, FEMA is allocating $2,182,000 and 61 workyears to this office under Salaries and Expenses. These resources will provide for administering the regulatory programs within the Agency, provide the administrative and housekeeping functions for the FEMA Headquarters, and provide personnel to support Agency exercises.

6. 1991 Program. FEMA requests $2,217,000 and 61 workyears under Salaries and Expenses for this office. This office will continue to provide the administrative and housekeeping functions for FEMA Headquarters.

   1991 Increases/Decreases. An increase of $35,000 provides one half the estimated costs of a 1991 GS/GM pay raise.

7. Outyear Implications. No outyear implications over the 1991 request.

8. Advisory and Assistance Services. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

K. Other Administrative Expenses

Estimates by Office	1989 Actual WY	1989 Actual Amt.	1990 Request WY	1990 Request Amt.	1990 Current Estimate WY	1990 Current Estimate Amt.	1991 Request WY	1991 Request Amt.	Increase/ Decrease WY	Increase/ Decrease Amt.
1. Rent (Budget Authority)........	...	$8,932	...	$10,157	...	$9,094	...	$9,400	...	$306
Permanent Workyears										
Headquarters......................	...		...		...		...		...	
Regions...........................	...		...		...		...		...	
Total, Permanent..................	...		...		...		...		...	
Total Workyears......................	...		...		...		...		...	

Changes From Original 1990 Estimates.

Reflects a decrease of $1,063,000 to accommodate Congressional general reduction and sequester.

K. Other Administrative Expenses

1. Rent

a. Authority. Reorganization Plan No. 3 of 1978; and Executive Orders 12127 and 12148, as amended.

b. Objective/Office Description. This element provides for the rental of space for Headquarters, the Regions, and all field offices.

c. 1989 Accomplishments. In 1989, FEMA used $8,932,000 and no workyears for this element under Salaries and Expenses. This element provided for the rental of space from GSA at FEMA Headquarters and the ten Regional offices.

d. Changes From the 1990 Estimates. Reflects a decrease of $1,063,000 to accommodate Congressional general reduction and sequester.

e. 1990 Program. In 1990, FEMA is allocating $9,094,000 and no workyears to this element under Salaries and Expenses. With these resources, this element will provide needed space to FEMA Headquarters, Regional, and field offices.

f. 1991 Program. FEMA requests $9,400,000 and no workyears under Salaries and Expenses for this element, an increase of $306,000 over 1990. This element will provide necessary space for FEMA Headquarters, Regional, and field offices.

1991 Increases/Decreases. The requested increase of $306,000 responds to GSA rate increases.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

K. Other Administrative Expenses	1989 Actual		1990 Request		1990 Current Estimate		1991 Request		Increase/ Decrease	
Estimates by Office	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.
2. Other Administrative Expenses (Budget Authority).............	...	$4,314	...	$4,493	...	$3,570	...	$3,570	...	...
Permanent Workyears										
Headquarters..........................	...		...		...		...		...	
Regions...............................	...		...		...		...		...	
Total, Permanent....................	...		...		...		...		...	
Total Workyears.......................	...		...		...		...		...	

Changes From Original 1990 Estimates.

Reflects a net decrease of $923,000 for the following:

Increases
- o a net transfer of $265,000 from other FEMA Salaries and Expenses (S&E) accounts for ARC Warehouse contract for publications storage and distribution.
- o a transfer from other FEMA S&E accounts of $47,000 for Health and Human Services Fitness Center for FEMA employees.

Decreases
- o a decrease of $1,200,000 for movement of postage charges into Emergency Management Planning and Assistance appropriation.
- o a Congressional decrease of $35,000 for a sequester.

K. Other Administrative Expenses

2. Other Administrative Expenses

a. Authority. Reorganization Plan No. 3 of 1978; and Executive Orders 12127 and 12148, as amended.

b. Objective/Office Description. This element provides for administrative support and services to FEMA Headquarters.

c. 1989 Accomplishments. In 1989, FEMA used $4,314,000 and no workyears for this element under Salaries and Expenses. This activity provided administrative support services to the FEMA Headquarters staff consisting of approximately 1,000 employees, consultants, and other personnel assigned to FEMA. During this period, increased emphasis was made to more efficiently manage FEMA's resources by reviewing the internal control systems used to administer FEMA's resources (funds, property and other assets); and improving and automating the administrative systems to ensure cost-effective operations.

d. Changes From the 1990 Estimates. Reflects a net decrease of $923,000 for the following: (1) a net transfer of $205,000 for a ARC Warehouse contract for publications storage and distribution; (2) an increase of $47,000 for use of the Health and Human Services Fitness Center for FEMA employees; (3) a decrease of $1,200,000 for movement of postage charges to Emergency Management Planning and Assistance; and (4) a Congressional decrease of $35,000 for a general reduction and sequester.

e. 1990 Program. In 1990, FEMA is allocating $3,570,000 and no workyears to this element under Salaries and Expenses. With these resources, this element will provide needed administrative support and services to FEMA Headquarters.

f. 1991 Program. FEMA requests $3,570,000 and no workyears under Salaries and Expenses for this element. This element will continue to provide the administrative support services required by the FEMA Headquarters.

1991 Increases/Decreases. None.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

L. **Information Services**	1989 Actual		1990 Request		1990 Current Estimate		1991 Request		Increase/ Decrease	
Estimates by Office	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.
1. Information Systems (Budget Authority)......	15	$860	16	$1,022	16	$1,011	16	$1,020	...	...
Permanent Workyears										
Headquarters..................	15		16		16		16		...	
Regions.......................	...		...		...		...		...	
Total, Permanent...........	15		16		16		16		...	
Total Workyears.................	15		16		16		16		...	

Changes From Original 1990 Estimates.

Reflects a Congressional decrease of $11,000 for a general reduction and sequester.

L. Information Services

1. Information Systems

a. Authority. Reorganization Plan No. 3 of 1978 and Executive orders 12127 and 12148, as amended.

b. Objective/Element Description. This element provides information systems support services to all FEMA program offices not supported elsewhere, and to all internal management and administrative functions of the Agency in meeting day-to-day production and emergency requirements. This activity is one of three interdependent activities which fund FEMA's total ADP support. The other parts can be found under Government Preparedness and Civil Defense. The objective of this element is to provide reliable, responsible, and cost effective computer support to FEMA's major programs.

c. 1989 Accomplishments. In 1989, FEMA used $860,000 and 15 workyears for this element under Salaries and Expenses. Software maintenance and development continued at a reduced level. A major objective was the development of a three-phased Distributed Data Processing (DDP) System which is an integrated framework for information systems with broader flexibility and connectivity for emergency management purposes. Phase I (an interim computer upgrade of the central processing units) and Phase II (the installation of minicomputers for classified systems) have been completed. Work continues on Phase III, which is the transitional conversion and implementation of FEMA functional requirements in priority to upgrade and to provide connectivity among Headquarters, Regional Offices, and State governments for emergency purposes.

Provided support to Management and Administration, State and Local Programs and Support, Training and Fire Programs, National Preparedness Directorate, and the Federal Insurance Administration.

d. Changes from the 1990 Estimates. Reflects a Congressional decrease of $11,000 for a general reduction and sequester.

e. 1990 Program. In 1990, FEMA is allocating $1,011,000 and 16 workyears to this element under Salaries and Expenses. Resources will allow support to be provided to the following areas:

- Management and Administration
  - Manage, operate, and maintain FEMA's computer systems.
  - Review, evaluate, and make recommendations on information processing systems, requirements, and acquisitions for all parts of the Agency in maintaining central management over FEMA information processing systems in accordance with P.L. 96-511, the Paperwork Reduction Act.

- Develop end-user computing services that bring computers closer to the users while maintaining interconnectivity among users for sharing of essential data and programs.

o State and Local Programs and Support

- Provide computational support in the areas of planning, preparedness, research, mitigation, and response and recovery activities.
- Support and improve the capabilities of the disaster management assistance programs through analysis in the development of an integrated capability using Local Area Networks (LAN's) to support Disaster Field Offices/Disaster Assistance Centers, and National or Regional requirements.

o Training and Fire Programs

- Provide computational support for the national fire programs.
- Provide computational support to the National Emergency Training Center (NETC) for registration, admissions, and student evaluation programs.
- Provide ADP software and documentation to States and cities participating in the National Fire Incident Reporting System (NFIRS). Maintain the National Fire Data Base (NFDB) of NFIRS data and provide feedback reports to States and municipalities submitting fire data.
- Provide a hazardous material module and an arson information module for the NFIRS software.

f. 1991 Program. FEMA requests a total of $1,020,000 and 16 workyears for this element under Salaries and Expenses, an increase of $9,000 over 1990. Support will be provided in the following areas:

o Management and Administration

- Management, operations, maintenance, and programming of FEMA's computer systems support for both FEMA Headquarters and Regional offices.
- Continued development of end-user computing services while maintaining interconnectivity among users.
- Training of FEMA personnel nationwide, taking advantage of previously developed end-user computer services.
- Updating of FEMA data base guide (Federal Preparedness Guide 47.101) and the "FEMA Data Dictionary."

- Provision for data base maintenance for the unclassified Critical Emergency Data Files.
- Provision of the necessary interface and reporting in ADP matters to the Office of Management and Budget, the General Services Administration, and other regulatory agencies as required.
- Review and evaluation of recommendations on information processing systems, requirements and acquisitions for all parts of the Agency in maintaining centralized management of FEMA information processing systems in accordance with the Paperwork Reduction Act, P.L. 96-511.
- Maintenance of programs to support production of microfiche records for flood insurance and other programs.

o Training and Fire Programs

- Maintenance of NETC's registration and admission systems, and development of LAN applications to augment and improve the system.
- Distribution of NFIRS software to States and municipalities as requested, including the personal computer version of NFIRS.
- Provision of ADP technical assistance to States and municipalities in NFIRS.
- Maintenance of the NFDB consisting of over 98 million records

o Federal Insurance Administration

- Provision of limited technical support for the ADP activities related to the National Flood Insurance Program.

1991 Increases/Decreases. An increase of $9,000 will provide for one half the estimated costs of a 1991 GS/GM pay raise.

g. Outyear Implications. Phase III has begun and will continue to consolidate ADP and communications support services into fully integrated information systems that will provide a full range of ADP support services for FEMA program needs. This system will provide connectivity among Federal, Regional, and State levels of government for emergency management programs. Due to both technological advances and the diversity and structure of FEMA's programs, the trend will remain to place computer resources closer to the end-users of ADP services while providing interconnectivity among and within user communities. During 1990, all Regional and field Sperry 4020 clusters will be replaced by a personal computer based LAN to provide increased administrative functions at these locations, with interconnectivity to FEMA national computers. During 1990 and 1991, this system will be expanded through a wide-area network architecture using the FEMA Switched Network (FSN), thus providing FEMA with both local and nationwide connectivity.

h. Advisory and Assistance Services. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

L. Information Services

Estimates by Element	1989 Actual WY	1989 Actual Amt.	1990 Request WY	1990 Request Amt.	1990 Current Estimate WY	1990 Current Estimate Amt.	1991 Request WY	1991 Request Amt.	Increase/ Decrease WY	Increase/ Decrease Amt.
2. Administrative Telephones (Budget Authority)........	...	$2,655	...	$2,675	...	$2,646	...	$2,646	...	...
Permanent Workyears										
Headquarters....................	...		...		...		...		...	
Regions.........................	...		...		...		...		...	
Total, Permanent..............	...		...		...		...		...	
Total Workyears....................	...		...		...		...		...	

Changes From Original 1990 Estimates.

Reflects a Congressional decrease of $29,000 for a sequester.

L. Information Services

2. Administrative Telephones

a. Authority. Reorganization Plan No. 3 of 1978 and Executive orders 12127 and 12148, as amended.

b. Objective/Element Description. This element encompasses the centralized management and funding of day-to-day administrative telephone services for FEMA Headquarters National Capital Region. Included are the local commercial systems, equipment in FEMA Headquarters, and usage of intercity voice network such as the Government's Federal Telecommunications Systems (FTS), Federal Secure Telephone Service (FSTS), and the Automatic Voice Network (AUTOVON).

c. 1989 Accomplishments. In 1989, FEMA used $2,655,000 and no workyears for this element under Salaries and Expenses. At FEMA Headquarters, telephone hardware and software problems continue to be resolved in coordination with C&P Telephone Company.

d. Changes from the 1990 Estimates. Reflects a Congressional decrease of $29,000 for a sequester.

e. 1990 Program. In 1990, FEMA is allocating $2,646,000 and no workyears for this element under Salaries and Expenses. These funds support the operations and maintenance of the administrative telephone services. During 1990, installation of Secure Telephone Units (Type III) to replace existing single line telephone units and the majority of multi-line SL-1 units will be completed.

f. 1991 Program. FEMA requests $2,646,000 and no workyears for this element under Salaries and Expenses. These funds will be used to support the operations and maintenance of the administrative telephone services.

1991 Increases/Decreases. None.

g. Outyear Implications. Cost from anticipated increases in local and long distance telephone rates are expected to increase. FEMA will continue to monitor usage and provide off-setting controls through continuation of successful cost-saving management techniques.

h. Advisory and Assistance Services. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

L. Information Services Estimates by Element	1989 Actual WY	1989 Actual Amt.	1990 Request WY	1990 Request Amt.	1990 Current Estimate WY	1990 Current Estimate Amt.	1991 Request WY	1991 Request Amt.	Increase/ Decrease WY	Increase/ Decrease Amt.
3. Office Automation (Budget Authority).......	...	$539	...	$539	...	$234	...	$234	...	...
Permanent Workyears										
Headquarters....................	...		...		...		...		...	
Regions.........................	...		...		...		...		...	
Total, Permanent.............	...		...		...		...		...	
Total Workyears...................	...		...		...		...		...	

Changes From Original 1990 Estimates.

Reflects decreases of $305,000 for the following:

- o a Congressional decrease of $5,000 for a sequester.
- o a reprogramming of $300,000 to other FEMA Salaries and Expenses activities as justified in the 1990 operating plan.

L. Information Services

3. Office Automation

a. Authority. Reorganization Plan No. 3 of 1978 and Executive orders 12127 and 12148, as amended.

b. Objective/Element Description. This element provides for effective management of word processing equipment within FEMA.

c. 1989 Accomplishments. In 1989, FEMA used $539,000 and no workyears for this element under Salaries and Expenses. It was determined that the STEC Company's word processing units would serve as a transitional replacement for Lexitron word processing equipment and are now being replaced with PC's with appropriate software. Training was provided to FEMA employees to permit the transfer from machine/specific word processor to transferable PC software.

d. Changes from the 1990 Estimates. Reflects a decrease of $305,000 for the following: a Congressional decrease of $5,000 for a sequester; and a reprogramming of $300,000 as justified in the 1990 operating plan.

e. 1990 Program. In 1990, FEMA is allocating $234,000 and no workyears for this element under Salaries and Expenses. These funds support the following:

- o Maintenance of existing systems and acquisition of additional units as required.
- o Continued review of existing work stations for potential TEMPEST requirements.
- o Central management of word processing as part of the integrated National Emergency Management System (NEMS).
- o Development of a PC based LAN under Phase III DOP to provide increased automated administrative functions.

f. 1991 Program. FEMA requests $234,000 and no workyears for this element under Salaries and Expenses. This funding level will support leasing, maintenance, training and supplies for the office automation currently in FEMA.

1991 Increases/Decreases. None.

g. Outyear Implications. Due to both technological advancement and the diversity and structure of FEMA's programs, the future trend is to place computers closer to the users. FEMA plans to completely integrate word processing into the other information system functions as a part of the implementation of the NEMS Distributed Data Processing System, Phase III.

h. Advisory and Assistance Services. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

Estimates by Office	1989 Actual		1990 Request		1990 Current Estimate		1991 Request		Increase/ Decrease	
	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.
M. Regional Operations (Budget Authority)..........	5	$260	5	$287	5	$284	5	$287	...	$3
Permanent Workyears										
Headquarters..................	5		5		5		5		...	
Regions.......................	...		...		...		...		...	
Total, Permanent.............	5		5		5		5		...	
Total Workyears..................	5		5		5		5		...	

Change From Original 1990 Estimates.

Reflects a Congressional decrease of $3,000 for a sequester.

M. Regional Operations

1. **Authority**. Reorganization Plan No. 3 of 1978; and Executive Orders 12127 and 12148, as amended.

2. **Objective/Office Description**. The Office of Regional Operations (RO) provides coordination on regional day-to-day operational matters and policy issues as staff advisor to the Director of FEMA, and serves as liaison between the Regional Directors and Headquarters elements on program and policy issues.

3. **1989 Accomplishments**. In 1989, FEMA used $260,000 and 5 workyears for this office under Salaries and Expenses. Among its accomplishments were the following: continued to monitor activities of each Regional office thereby keeping the FEMA Director and program managers advised on significant problems in order to coordinate corrective strategies; provided Regional representation in FEMA Headquarters in the development of policy and program guidance to ensure the consideration of Regional viewpoints; reviewed Regional office management and operations (i.e., personnel, organizational structure, overall management, and delegations); produced and implemented a final work plan for the Regional offices consistent with FEMA's budget and mission; published and distributed "Directory of Governors and State Officials"; and completed the revision of delegations of authorities to Regional offices.

4. **Changes from the 1990 Estimates**. Reflects a Congressional decrease of $3,000 for a sequester.

5. **1990 Program**. In 1990, FEMA is allocating $284,000 and 5 workyears to this office under Salaries and Expenses. This office will continue to coordinate Regional program matters and policy issues for the Director's review; ensure a coordinated flow of guidance, policy, and information to the Regions on programs and other Agency activities; monitor Regional reorganization transition efforts through staff visits to Regional offices; and continue the automation of the Regional Work Plan.

6. **1991 Program**. FEMA requests $287,000 and 5 workyears for this office under Salaries and Expenses, an increase of $3,000 over 1990. In 1991, this office intends to do the following:

   - Continue to coordinate Regional program matters and policy issues for the Director's review.
   - Ensure a coordinated flow of guidance, policy, and information to the Regions on programs and other Agency activities.
   - Complete the automation of the Regional Work Plan.
   - Provide Regional representation in FEMA Headquarters in the development of policy and program guidance to ensure the consideration of Regional viewpoints.
   - Continue Regional work planning efforts.

__1990 Increases/Decreases__. An increase of $3,000 will provide one half the estimated costs of a 1991 GS/GM pay raise.

7. __Outyear Implications__. No outyear implications over the 1991 request.

8. __Advisory and Assistance Services__. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

Estimates by Office	1989 Actual WY	1989 Actual Amt.	1990 Request WY	1990 Request Amt.	1990 Current Estimate WY	1990 Current Estimate Amt.	1991 Request WY	1991 Request Amt.	Increase/ Decrease WY	Increase/ Decrease Amt.
N. External Affairs (Budget Authority).............	18	$1,391	20	$1,321	20	$1,427	20	$1,336	...	-$91
Permanent Workyears										
Headquarters..........................	18		20		20		20		...	
Regions...............................	...		...		...		...		...	
Total, Permanent....................	18		20		20		20		...	
Total Workyears........................	18		20		20		20		...	

Changes From Original 1990 Estimates.

Reflects a net increase of $106,000 for the following:

- a reprogramming of $120,000 from other FEMA S&E accounts to fund personnel compensation and benefits costs.
- a Congressional decrease of $14,000 for a sequester.

N. External Affairs

1. Authority. Reorganization Plan No. 3 of 1978 and Executive Orders 12127 and 12148, as amended.

2. Objective/Office Description. External Affairs provides an information link between the Agency and the Congress, the media, public interest groups, and international agencies or representatives; advises the Director on the Congressional, public relations, and international impact of Agency policies, plans, and programs; and coordinates the development and furnishing of information to these groups.

3. 1989 Accomplishments. In 1989, FEMA used $1,391,000 and 18 workyears for function under Salaries and Expenses. The following work was accomplished: Provided information services to the media and public interest groups resulting in 6,000 media responses, 350 news releases, and 3,000 contacts with intergovernmental organizations; further developed a high level Public Affairs Policy Committee for Emergency Public Affairs Officers; coordinated development of Agency positions on matters before the Congress in 50 hearings and responded to 20,000 congressional inquiries; provided 175 congressional and staff briefings and 40 reports; provided U.S. representation to the NATO Civil Emergency Preparedness (CEP) Committee and Civil Defense (CD) Committee and subcommittees and boards; processed 725 cables; reviewed 200 NATO Policy Papers; and responded to 6,000 international inquiries and coordinated and briefed during 400 official foreign visits.

4. Changes From the 1990 Estimates. Reflects a net increase of $106,000 for the following: (1) a reprogramming of $120,000 from other FEMA S&E accounts to fully fund requested level of effort; and (2) a Congressional decrease of $14,000 for a sequester.

5. 1990 Program. In 1990, FEMA is allocating $1,427,000 and 20 workyears to this Directorate under Salaries and Expenses. These resources will provide for the following:

   - Provide information services to all media and public interest groups: media responses (6,000), news releases (350), and contacts with intergovernmental Organizations (3,500).
   - Continue to assist further in the development of the Public Assistance Policy Committee for Emergency Public Affairs Officers.
   - Coordinate the development of Agency positions on matters before Congress: hearings (65) and congressional inquiries (20,000).
   - Provide congressional and staff briefings: 180 briefings and 40 reports.
   - Continue with increased management and coordination of U.S. representation on the NATO CEP Committee, subcommittees and planning boards.

- o Process 725 cables.
- o Review 200 NATO Policy Papers.
- o Respond to 6,000 international inquiries and brief 500 visiting foreign officials.

6. 1991 Program. FEMA requests $1,336,000 and 20 workyears under Salaries and Expenses for this Directorate, a decrease of $91,000 from 1990. The following activities will continue at Headquarters and in the Regions:

- o Provide ongoing information services to all media and public interest groups, reporting on activities of the Agency through press releases, news and information conferences, and interviews.
- o Develop and complement hazard awareness campaigns directed toward the public, including reprints of brochures.
- o Respond to 6,750 media responses on all aspects of emergency management and 4,000 contacts with intergovernmental representatives.
- o Initiate 330 news releases, 25 news conferences, 6 national newsletters, and 45 intergovernmental briefings.
- o Assist program offices with 300 separate Public Assistance information-related activities.
- o Coordinate the development of Agency position on matters before the Congress and arrange for Agency interaction with Members of Congress and their staffs.
- o Assist in the development of all legislative initiatives.
- o Respond to 20,000 congressional inquiries and other types of correspondence and provide 190 congressional and staff briefings.
- o Attend 70 hearings and prepare 40 reports on congressional activities and/or programs.
- o Provide U.S. representation to the NATO CEP Committee and CD Committee, along with their subordinate committees and planning boards.
- o Continue U.S. participation in bi-lateral emergency preparedness agreements with Canada.
- o Plan and coordinate bi-lateral emergency preparedness/disaster consultative agreements with Mexico.

- Review 200 NATO Policy Papers.

- Provide orientations and briefings on FEMA's programs to visiting foreign officials.

- Respond to 6,000 international inquiries and other types of correspondence and provide coordination for 150 foreign events and 300 protocol/passport requests.

- Process 750 NATO cables.

1991 Increases/Decreases. A net decrease of $91,000 for this office reflects the following: (1) a base decrease of $116,000 to adjust Agency resources to fully fund requested workyears within overall deficit-reduction requirements; (2) an increase of $11,000 for one-half of estimated 1991 costs of a 3.6% 1991 GS/GM pay raise; and (3) an increase of $14,000 for one-half of estimated 1991 costs of SES and Executive 1991 pay raises.

7. Outyear Implications. No outyear implications over the 1991 request.

8. Advisory and Assistance Services. None.

MANAGEMENT AND ADMINISTRATION
(Dollars in Thousands)

Estimates by Office	1989 Actual WY	1989 Actual Amt.	1990 Request WY	1990 Request Amt.	1990 Current Estimate WY	1990 Current Estimate Amt.	1991 Request WY	1991 Request Amt.	Increase/ Decrease WY	Increase/ Decrease Amt.
O. Regional Executive Direction (Budget Authority).......	103	$8,809	105	$9,372	105	$9,172	105	$9,283	...	$111
Permanent Workyears										
Headquarters....................	...		...		...		...		...	
Regions.........................	103		105		105		105		...	
Total, Permanent.............	103		105		105		105		...	
Total Workyears..................	103		105		105		105		...	

Change From Original 1990 Estimates.

Reflects a decrease of $200,000 to accommodate Congressional general reduction and a sequester ($100,000), and a reprogramming of $100,000 as justified in the 1990 operating plan.

O. Regional Executive Direction

1. Authority. Reorganization Plan No. 3 of 1978 and Executive Orders 12127 and 12148, as amended.

2. Objective/Office Description. This element provides for the executive administration and management support necessary within the Regions for the delivery of FEMA programs to State and local governments, and is responsible for the Regional management of its administrative, financial, and personnel resources.

3. 1989 Accomplishments. In 1989, FEMA used $8,809,000 and 103 workyears for this element under Salaries and Expenses. Resource levels provided for the executive direction and management support necessary within the ten Regions for the delivery of programs to State and local governments.

4. Changes from the 1990 Estimates. Reflects a decrease of $200,000 to accommodate Congressional general reductions and sequester ($100,000) and a reprogramming of $100,000 as justified in the 1990 operating plan.

5. 1990 Program. In 1990, FEMA is allocating $9,172,000 and 105 workyears to this element. This element will provide for the management and accountability of all Regional resources which support the delivery of FEMA programs to State and local governments.

6. 1991 Program. FEMA requests $9,283,000 and 105 workyears for this element under Salaries and Expenses, an increase of $111,000 over 1990. In 1991, this element will provide for the management and accountability of all Regional resources which support the delivery of FEMA programs to State and local governments.

   1991 Increases/Decreases. An increase of $111,000 for this element reflects the following: (1) an increase of $60,000 for one-half of estimated 1991 costs of a 3.6% 1991 GS/GM pay raise; and (2) an increase of $51,000 for one-half of estimated 1991 costs of SES and Executive 1991 pay raises.

7. Outyear Implications. No outyear implications over the 1991 request.

8. Advisory and Assistance Services. None.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
Appropriation Language

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), section 103 of the National Security Act (50 U.S.C. 404), and Reorganization Plan No. 3 of 1978, [$275,290,000] $277,042,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990; additional authorizing legislation to be proposed for $143,561,000.)

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
Appropriation Overview

This appropriation provides resources for the following activities:

Civil Defense: Provides an integrated set of programs designed to create the capability at the State and local levels to save lives and preserve order in a complete spectrum of emergencies. Nearly all programs in Civil Defense provide direct Federal support, either financial or in-kind, in varying proportions to States and local entities, to provide specialized equipment and to subsidize the costs to those jurisdictions of the network of trained, experienced emergency-management specialists which forms the backbone of the nation's ability to respond to catastrophes ranging from natural disasters to attack on the United States. The Civil Defense program focuses on development of minimal "base" capabilities, and on creation of a national ability to rapidly expand, or "surge", these capabilities in time of national crisis.

National Earthquake Program and Other Hazards: Supports FEMA's activities as lead agency in the National Earthquake Hazards Reduction Program, whose purpose is to reduce the nation's vulnerability to the effects of earthquakes and to provide a direct Federal response when a catastrophic earthquake occurs. This activity also provides for FEMA's role in Federal programs to reduce vulnerability to hurricane hazards, encourage improvements in dam safety, and promote hazard mitigation.

Technological Hazards: Supports FEMA's role in Federal activities in the areas of community and Federal preparedness to respond to the hazards of fixed nuclear facilities and hazardous materials.

Federal Preparedness: Provides for the nation's ability to respond to, manage, and recover from peacetime and wartime national security emergencies, and develops a coordinated Federal response, integrated with State and local response plans developed through other FEMA activities, to cope with the consequences of accidental, natural, and human-caused emergencies.

Training and Fire Programs: Provides the training necessary to prepare Federal, State, and local officials and emergency responders, their supporting staffs, and the public to meet the responsibilities and challenges of domestic emergencies through planning, mitigation, preparedness, response, and long-term recovery. The U. S. Fire Administration provides a Federal focus for identifying and working toward solutions for the problems facing the nation's fire and rescue services, and supporting State and local fire protection and emergency rescue efforts.

Flood Insurance and Mitigation: Provides a comprehensive, integrated flood plain management program that combines mapping, regulatory, and technical assistance efforts for the purpose of responding to known flood hazards and mitigating their effects. Since 1987, this activity has been funded by a transfer of unobligated balance from the National Flood Insurance Fund.

APPROPRIATIONS SUMMARY
EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
(Dollars in Thousands)

Summary of Estimates by Activity	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
I. Civil Defense......................		$125,598	$130,833	$128,911	$132,986	$4,075
II. National Earthquake Program and Other Hazards.............		5,950	5,493	9,071	12,038	2,967
III. Technological Hazards..............		5,123	5,888	5,322	5,351	29
IV. Federal Preparedness...............		127,082	113,236	111,450	110,377	-1,073
V. Training and Fire Programs.........		14,577	13,055	18,889	16,290	-2,599
VI. Flood Insurance and Mitigation.*...		41,253	40,303	43,023	45,023	2,000
Total, Emergency Management Planning and Assistance..		319,583	308,808	316,666	322,065	5,399
Budget Outlays.....................		313,822	313,239	320,829	323,894	3,065

* Reflects unobligated balance transferred from the National Flood Insurance Fund.

Changes from Original 1990 Estimates.

Reflects a net increase of $7,858,000 from the following:

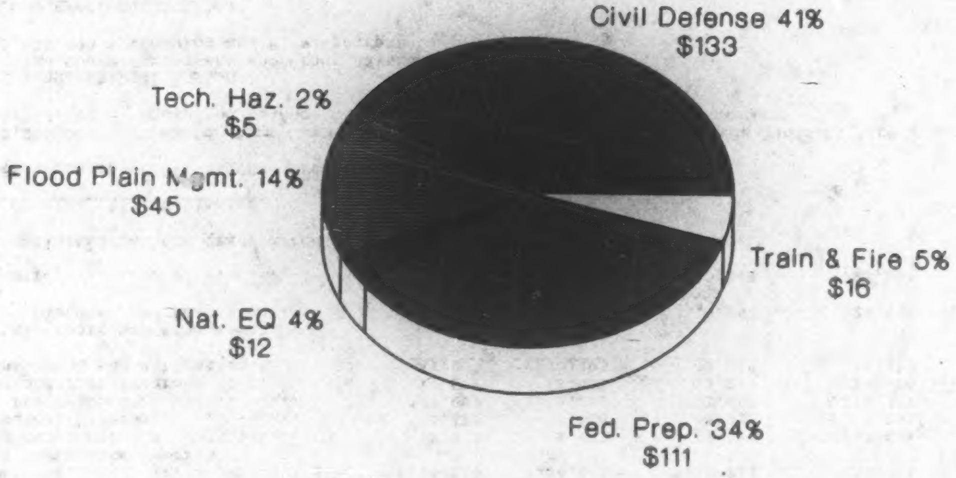
+$3,000,000 - Transfer from the President's Unanticipated Disaster Needs funds to Earthquake and Other Hazards
+ 2,720,000 - Unexpired balance of Flood 1989-1990 transfer carried forward

Specific Congressional Actions:
+ $850,000 - Earthquake and Other Hazards
+ 5,935,000 - Training and Fire Programs

General Congressional Actions:
- $4,267,000 - General reduction
- 380,000 - Sequester

1991 EMPA Obligational Auth. by Activity (Includes Flood Plain Management)

(Dollars in Millions)



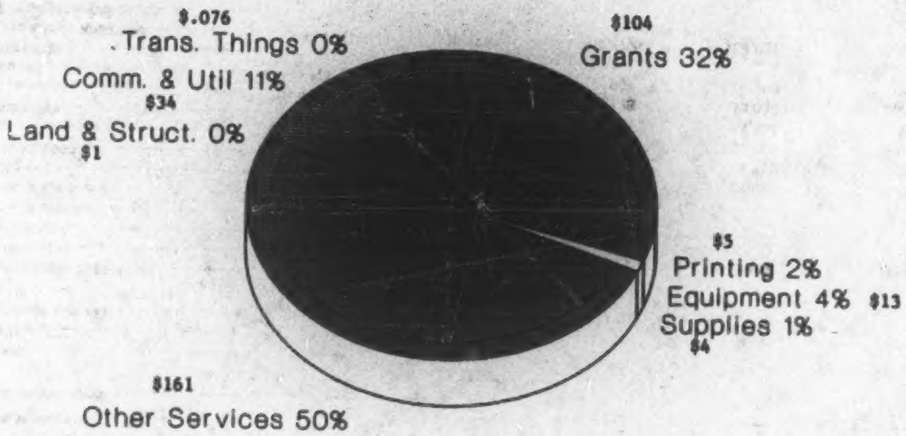
Emergency Mgmt. Plann. & Assist. ($322)

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	$117	$19	$215	$76	($139)
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	21,892	40,816	41,400	33,670	(7,730)
24.0 Printing and reproduction	4,116	4,298	4,543	4,745	202
25.0 Other services	174,534	137,925	144,817	161,506	16,689
26.0 Supplies and materials	3,244	10,242	4,915	4,038	(877)
31.0 Equipment	12,254	14,727	10,128	13,099	2,971
32.0 Land and structures	4,930	1,000	969	900	(69)
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	98,796	99,779	109,679	104,031	(5,648)
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	319,883	308,806	316,666	322,065	5,399

1991 EMPA By Major Object Class

(Dollars in Millions)



All Object Classes ($322)

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
Civil Defense Overview

The Civil Defense program develops a system of capabilities for the protection of life and property in the United States from attack as well as from natural and technological disasters. The Federal Emergency Management Agency (FEMA) is charged with implementing the program in accordance with statute and presidential policy directives.

The Civil Defense Act of 1950, as amended, vests responsibility for civil defense jointly in the Federal government and the States and their political subdivisions. The Federal government bears primary responsibility for preparedness against national security emergencies, while State and local governments for their part have primary responsibility for peacetime disaster preparedness and share responsibility for attack preparedness. Civil Defense program elements are designed by FEMA to meet attack preparedness objectives assuring, however, maximum applicability to peacetime emergency requirements as well. Such "dual use" of civil defense capabilities and resources BY LAW must always be consistent with, contribute to, and not detract from attack-related preparedness.

A Presidential directive issued in 1987 emphasizes the DUAL-USE requirement of the law and the development of a civil defense infrastructure capable of rapid expansion in a national security emergency. The directive outlined the major policy objectives of the U.S. civil defense program: 1) improve the prospects of the protection of the U.S. population and the resources of the Nation in the event of a nuclear attack and the ability to deal with any emergency which seriously threatens U.S. national security; 2) provide State and local SURVIVABLE CRISIS MANAGEMENT (SCM) capabilities to support the population in national security emergencies; 3) give the public information on threats, including nuclear attack and ways to increase the chance of survival; 4) provide information to assist business and industry to protect their employees and physical resources in national security emergencies; 5) encourage volunteer efforts by individuals and organizations to participate in civil defense activities; 6) develop plans to sustain survivors and for post-attack recovery; and 7) develop plans for the rapid expansion of civil defense by SURGE actions in an international crisis.

Recognizing the extremely limited national resources available for civil defense, the program outlined above does not attempt to build a full, standing, in-place attack preparedness capability. Instead, it defers as many costs as feasible by developing an infrastructure of "minimum-essential" or "baseline" State and local capabilities for national security emergencies. Needed--but postponable--capabilities will be brought to full development by SURGE actions. The program emphasizes, therefore, the identification and development of the baseline capability which cannot be deferred; and the development of strategies and plans for the rapid expansion of the civil defense infrastructure (SURGE), only if and when warranted by a deteriorating international situation.

The civil defense program proposed in the 1991 budget also emphasizes developing those attack-related capabilities that will yield the highest lifesaving payoff for the funds appropriated. Two important areas of emphasis, therefore, are SURVIVABLE CRISIS MANAGEMENT (SCM) and POPULATION PROTECTION.

In the area of **SURVIVABLE CRISIS MANAGEMENT**, State and local governments must be able to assure that they can continue to direct and manage life-sustaining support activities for the population. Such an SCM capability consists of plans, procedures, trained personnel, survivable communications, automated data processing, facilities, and the ability to direct and manage life-support operations such as firefighting, urban search and rescue, emergency medical assistance, law enforcement, debris removal, and the restoration of essential services. Existing capabilities do not yet meet the minimum baseline requirements from which a **SURGE** to full operational readiness could be implemented in a time of building crisis.

Likewise, in the equally critical area of **POPULATION PROTECTION**, civil defense program planning for both in-place protection and support for spontaneous and controlled evacuation must continue to build on existing capabilities and overcome deficiencies. Government must be able to provide citizens with at least one of these protective options--evacuation or in-place protection--based on the risks identified and the level of protection which is feasible.

In addition to **SCM** and **POPULATION PROTECTION**, civil defense base planning will include the development of **PUBLIC INFORMATION**, radiological defense planning and instrumentation, a trained cadre of State and local emergency managers and planners, and plans and procedures to initiate and conduct a civil defense **SURGE**.

The 1991 civil defense program contains the following highlights:

A. State and Local Emergency Management funds up to 50% of the salaries and expenses of local and State employees to develop emergency plans for ALL disasters to which the jurisdiction is vulnerable.

- o State and local emergency planners serve as the personnel base for population protection planning, crisis management operations, and "surging" civil defense in a national security emergency. Currently they represent the only existing State and local resource to perform this function. In peacetime, these planners also do natural and technological disaster response planning.

- o Emergency Management Assistance is provided to 56 States and territories and 2,621 local jurisdictions, covering 82% of the population. Each participating jurisdiction must demonstrate a capability to plan and exercise its response to ALL types of major emergencies and report its state of readiness to the next higher authority.

Other State and Local Emergency Management activities include:

- o Funding for 900 military reservists assigned to local, State, and Federal facilities to support national security emergency preparedness and continuity of government missions. They would be activated with civil defense forces during a national security emergency and are a key asset for crisis management operations and for conducting a civil defense surge.

- The Emergency Assessment System (EAS), which provides information on the current status of State and local emergency preparedness to determine program planning requirements and to measure performance. This system provides Federal, State, and local authorities objective evaluations of hazards, existing capabilities, and systematic methods to identify shortfalls and to plan improvements. It is used in ongoing program management and will be used as a management tool in a SURGE.

B. Radiological Defense (RADEF) provides training and specialized equipment to State and local levels to enable emergency services personnel and citizens to respond to the radiological threats associated with nuclear attack and large-scale peacetime radiological disasters. The program priority is to develop a peacetime base capable of being SURGED to increased radiological instrument production and to provide expert training for their use. An integral part of national security preparedness to protect the population, RADEF is a Federal responsibility and 100% Federally-funded.

C. Population Protection is a 100% Federally-funded program to assist State and local governments to develop dual use emergency plans, systems, and capabilities.

- Population Protection Planning provides funds for State employees to work directly with all non-civil defense localities to develop dual-use emergency operations plans and to provide technical support to local Emergency Management Assistance personnel.
- Facility Survey, Engineering, and Development Program identifies shelters to protect the population in the event of nuclear attack. Shelter surveys will build on the current data bases. Priorities will be set according to FEMA's recently updated nuclear attack planning base analysis. When the surveys are completed, a base capability will be in place. Although many of the shelters identified can be used for peacetime disasters, the program is 100% Federally-funded because it is an integral part of national security preparedness.
- Family Protection promotes civil defense at the family, neighborhood, and community levels by broadening public awareness of risks and threats; by providing INFORMATION to the public on protective measures they can take for themselves; and by encouraging VOLUNTARY participation in community emergency preparedness activities.

D. State and Local Direction Control and Warning provides hardware and technical assistance through 50% funding to State and local governments to develop emergency capabilities which can survive and continue to operate during and after any major disaster, and are critical to ensure continuity of government operations during a national security emergency. Such facilities will enable key officials to perform essential governmental functions and life-saving services and to broadcast emergency information to the public. This program's DUAL-USE hardware includes: fixed, alternate, or mobile emergency operating centers; emergency communications equipment; alert and warning systems; and for nuclear attack specifically, protection against radioactive fallout for key broadcast stations and the protection of vulnerable equipment from electromagnetic pulse effects. State and Local Direction Control and Warning is the central element of the State and local SCM capability.

E. **Research** provides a scientific and technical base for civil defense strategies, policies, and programs. Research results are often applicable to both national security and peacetime preparedness problems.

- **Research** provides scientific and technical research as a basis for improving programs to protect the population and the industrial base from attack, as well as natural and technological emergencies.
- **Systems Development** provides for developing and field testing new or updated programs and guidance.
- **Policy and Planning** develops civil defense program policies and defines program concepts such as base, SURGE and SURVIVABLE CRISIS MANAGEMENT for consideration by FEMA, the Defense Department, the Office of Management and Budget, and Congress. It develops civil defense program requirements and program implementation plans, and provides strategic and long-range planning.

F. **Training and Education** trains State and local emergency management personnel in Emmitsburg, Maryland, at the Emergency Management Institute (EMI) and in the field.

- **Instructional Programs and Materials** uses research results, technological innovations, and realistic emergency experience to develop all-hazard and nuclear attack-specific courses and other training activities for State and local emergency managers and public officials.
- **Field Deployment Systems** provides funds for State employees to assist localities to develop and conduct training programs, provides broad access to centrally developed and tested training material, and supports a minimal State infrastructure for exercise and training delivery. The latter fulfills peacetime emergency preparedness functions and provides an essential base for SURGE training in the event of a national security emergency.
- **Resident Programs (EMI)** provides Federal, State, and local emergency management professionals and public officials the opportunity to exchange information and to attend courses which cannot be effectively delivered through the field program. The resident program also trains the instructors for field courses, which is critical to maintain their quality. Currently, State and local governments are responsible for student meals and salary expenses while attending courses.
- **Emergency Public Information** develops peacetime, all-hazard, multi-media (print, audio and video) preparedness materials on risks and protective measures, as well as nuclear attack survival information for

release during a crisis build-up; the latter also includes development of rapid dissemination strategies to support a civil defense SURGE.

G. Telecommunications and Warning manages and operates dedicated warning and telecommunications systems to provide initial attack/disaster emergency messages to the civilian population and selected civilian/military agencies, States, and U.S. territories for both national security programs and natural and man-made disaster responses. The data processing support gives access to Headquarters, Regions, and State offices for processing emergency information, on-line data editing, and on-site report printing. Such information is or can be used to facilitate operations during severe weather emergencies, chemical spills, accidents involving radioactive materials, extraordinary situations, and tests and exercises.

H. Automated Data Processing (ADP) provides staff years and expenses to support the information processing activities of civil defense programs.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
CIVIL DEFENSE
(DOLLARS IN THOUSANDS)

Estimates by Program Element	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
A. State and Local Emergency Management..........................	EM-14	$60,245	$61,623	$62,461	$62,288	$-173
B. Radiological Defense...........	EM-23	11,695	12,767	11,223	12,005	782
C. Population Protection..........	EM-32	12,499	12,843	11,113	12,843	1,730
D. State and Local Direction, Control and Warning...........	EM-44	10,700	13,311	11,655	14,850	3,195
E. Research.......................	EM-58	581	600	543	600	57
F. Training and Education.........	EM-65	11,296	9,885	11,305	10,972	-333
G. Telecommunications and Warning	EM-79	18,582	19,804	20,611	19,428	-1,183
Total, Civil Defense..........		125,598	130,833	128,911	132,986	4,075

Changes from Original 1990 Estimates.

Reflects a net decrease of $1,922,000 from the following:

- $2,122,000 for the Congressional general reduction; and

+ 200,000 for a one-time reprogramming from Radiological Emergency Preparedness, as detailed in the 1990 operating plan.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
CIVIL DEFENSE
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	$13	$1	$157	$6	($151)
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	2,112	13,882	12,089	3,308	(8,781)
24.0 Printing and reproduction	900	1,144	907	961	54
25.0 Other services	31,448	19,942	18,575	32,270	13,695
26.0 Supplies and materials	382	80	1,406	310	(1,096)
31.0 Equipment	772	2,908	1,064	3,787	2,723
32.0 Land and structures	326	...	70	177	107
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	89,646	92,866	94,643	92,167	(2,476)
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	125,599	130,823	128,911	132,986	4,075

EMERGENCY MANAGEMENT PLANNING ASSISTANCE
CIVIL DEFENSE
(Dollars in Thousands)

A. State and Local Emergency Management

Estimates by Program Element	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
1. Emergency Management Assistance.....	EM-15	$58,116	$59,123	$60,182	$60,128	-$54
2. Other State and Local Emergency Management..........................	EM-17	2,129	2,500	2,279	2,160	-119
Total, State and Local Emergency Management (Budget Authority)....		60,245	61,623	62,461	62,288	-173

Changes From Original 1990 Estimates. Reflects a net Congressional increase of $838,000.

- o An increase of $2,000,000 for Emergency Management Assistance
- o A decrease of $1,162,000 for general reductions and reprogramming, as justified in the 1990 operating plan.

A. **State and Local Emergency Management**

1. **Emergency Management Assistance**

a. **Authority**. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, *et seq*.

b. **Objective/Element Description**. This element, which supports the infrastructure maintenance portions of Presidential policy, provides the core of experienced emergency management staff who develop the capabilities at the State and local levels to plan for, respond to and recover from a wide range of emergencies, including natural and technological disasters and national security emergencies. The DUAL-USE nature of the work performed by these emergency managers provides the base for the emergency management structure at the State and local levels. In addition, they represent the baseline resource of trained personnel to be used in implementing SURVIVABLE CRISIS MANAGEMENT and SURGE activities during a period of international crisis, in accordance with Presidential policy. Participating Emergency Management Assistance State and local jurisdictions receive Federal assistance (matching funds of up to 50 percent) for the salaries of the State and local emergency management staff who prepare and respond to the full range of domestic and national security emergencies. This program is designed to provide a multi-hazard, DUAL-USE organization in all 56 States and territories and 2,621 local jurisdictions, covering 82 percent of the population.

c. **1989 Accomplishments**. In 1989, FEMA used a total of $60,806,000 and 53 workyears for this program element, of which $2,690,000 was under Salaries and Expenses and $58,116,000 was under Emergency Management Planning and Assistance. The funding under this program element supported 1,266 State-level, and 5,492 local-level civil defense/emergency management personnel in 2,621 jurisdictions. These personnel:

- Responded to the full spectrum of natural and technological disasters and tested warning systems.
- Prepared and issued emergency management guidance material.
- Conducted and evaluated tests and exercises.
- Trained government and volunteer personnel in emergency response.
- Coordinated the operations of Emergency Operating Centers during crisis periods (either natural or technological disasters).
- Coordinated plans and activities of other public service organizations and revised and upgraded Emergency Operations Plans.

- Developed/updated 875 Emergency Operations Plans.

- Reported on capability status and the state of readiness at the State and local levels, which included entering data obtained in 1988 into the on-line data base on the state of readiness at the State and local levels. This data includes the local hazard identification analyses, vulnerability/capability assessments and multi-year development plans collected from over 3,000 jurisdictions. Beginning in 1985, this data was collected on a 3-year cycle; beginning in 1988 the information is being collected on a 4-year cycle in order to reduce the information collection burden on the State and local jurisdictions. Similar data, based on a revised questionnaire, was collected from the State level and entered into the on-line data base. The questionnaire was revised based on lessons learned during the first collection cycle (1985-1988).

d. Changes From the 1990 Estimates. Reflects a net Congressional increase of $1,059,000 from the following: an increase of $2,000,000; and a decrease of $941,000 for general reductions.

e. 1990 Program. In 1990, FEMA is allocating a total of $63,136,000 and 54 workyears for this program of which $2,954,000 is under Salaries and Expenses and $60,182,000 is under Emergency Management Planning and Assistance. Limited funding will be used to enhance and maintain the automated aspects of this program element. In addition to the base activities described above, specific objectives include the following:

- Developing an improved methodology for incorporating nonparticipating communities into the civil defense effort without adversely impacting current funding levels of participating communities, which are already at below-base funding levels. There are approximately 135 nonparticipating communities with populations over 50,000 (totaling 13,551,000 people) which must be included in order to provide protection for the majority of the U.S. population at risk from the threat of domestic or national security emergencies. The 1,080 non-Emergency Management Assistance (EMA) participating county level jurisdictions with populations below 50,000 are covered under the POPULATION PROTECTION element and will have civil defense organizations established only during a SURGE mandated by Presidential policy.

- Improving management of the EMA program by the implementation of a computerized performance information system for tracking and measuring activities and products,

- Completing a self assessment of local continuity of government capabilities vital to recovery efforts in case of a nuclear attack or major catastrophic disasters.

- Investigating methods of improving SURVIVABLE CRISIS MANAGEMENT capabilities at the State and local levels.

- Developing/updating 892 Emergency Operations Plans.

f. 1991 Program. In 1991, FEMA requests a total of $63,090,000 and 54 workyears for this program element, a net decrease of $46,000 from 1990. Included in this total are $2,962,000 for Salaries and Expenses and $60,128,000 for Emergency Management Planning and Assistance.

This is primarily a 50/50 formula grapt program. Limited funding will be used to enhance and maintain automated aspects of this program element. Program efforts will continue to focus on:

- Funding of up to 50 percent of the salaries and administrative expenses for the civil defense program in over 2,621 local jurisdictions.
- Continuing development of Emergency Operations Plans consistent with SURVIVABLE CRISIS MANAGEMENT initiatives in Administration policy and participation in National Security Exercises to enhance preparedness capabilities and minimize the effects of domestic and national security emergencies.
- Improving the computer data base of participant's products and activities to determine status of accomplishments and to improve program guidance and management.
- Maintaining the State and local emergency management infrastructure of in-place, trained personnel for implementation of SURGE activities.
- Developing/updating 898 Emergency Operations Plans.

1991 Increases/Decreases. A base decrease of $54,000 adjusts resources within overall deficit-reduction requirements.

g. Outyear Implications. The base program to be achieved by the end of 1995 is designed to implement SURGE capability required by Administration policy at local levels. This will include retention of the jurisdictions currently participating and the addition of the nonparticipating jurisdictions over 50,000 population. The 1,080 nonparticipating counties below 50,000 population will have civil defense organizations established only during a SURGE mandated by administrative policy.

h. Advisory and Assistance Services. None.

2. Other State and Local Emergency Management

a. Authority. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.

b. Objective/Element Description. The two subelements under this program element include:

- Individual Mobilization Augmentee (IMA) program. This element supports the Presidential SURGE and SURVIVABLE CRISIS MANAGEMENT objectives by providing program funds for military reservists to serve as Individual Mobilization Augmentees (IMA's) IMA's are assigned to augment Federal, State, and local civilian emergency staff during national security emergencies. Upon mobilization, IMA's augment civil defense personnel in implementing various crisis management and SURGE measures. During peacetime, IMA's perform DUAL-USE preparedness activities and provide support to State and local governments in testing and exercising multi-hazard plans and procedures.

- Emergency Assessment System (EAS). This element supports the Presidential SURGE and SURVIVABLE CRISIS MANAGEMENT objectives by providing the EAS, which furnishes information on the current status of State/local emergency preparedness required for program planning and evaluation, resources targeting, and management of civil defense SURGE in the event of a national security emergency. It also supports State and local exercise development and participation for assessing and improving emergency capability and connectivity with national emergency plans and priorities. The EAS provides integrated information which supports civil defense program management and capability assessment in both peacetime and crisis periods, as well as a computerized central data base containing hazard capability and planning information from over 3,400 participants, plus over 700 local jurisdictions not receiving EMA program assistance. The EAS also eliminates incompatible and redundant program-specific data bases of civil defense and other emergency management resources. Provision of standardized software packages for States to use in emergency management activities (e.g., Comprehensive Cooperative Agreement tracking, evaluation planning, exercise design, etc.) facilitates the standard exchange of data and reports, and direct access to assessment data allows all levels of government to monitor progress towards stated objectives and to target limited resources for maximum cost benefit. Distributed, as opposed to centralized, data systems improve access to current information, increase system survivability, and provide for efficient data entry and use by State and local governments. Exercises provide the best test of actual emergency capability short of an actual emergency. Exercise requirements from different FEMA programs have been consolidated and clarified so that jurisdictions develop multi-year DUAL-USE exercise plans incorporating scenarios which address natural, technological, and national security hazards. State and local participation in national exercises not only tests specific State and/or local emergency capability but also national, State and local emergency plans and procedures. Such testing is especially critical for nuclear attack-related capabilities which are not fully addressed in peacetime disaster response operations.

c. 1989 Accomplishments. In 1989, FEMA used a total of $2,890,000 and 15 workyears for this program element, of which $761,000 was under Salaries and Expenses and $2,129,000 was under Emergency Management Planning and Assistance. In 1989, accomplishments included the following:

- Individual Mobilization Augmentee Program (IMA):

  o Provided support to the IMA program in coordination with the Department of Defense (DoD) and the U.S. Coast Guard by funding tours for up to 666 DoD and U.S. Coast Guard IMA's.

  o Revised guidance on the IMA program (CPG 1-11).

  o Reviewed and revised Military Manning Documents.

  o Conducted a Regional Coordinators Conference and administered an IMA Program Managers Course.

- Emergency Assessment System:

  o Generated 112 State and 3,400 local summary and update reports on the Hazard Identification Capability Assessment/Multiyear Development Plans (HICA/MYDP) data.

  o Developed a capability in 15 States to access the HICA/MYDP data base.

  o Obtained Comprehensive Cooperative Agreement (CCA) data from 55 participating States, and territories.

  o Promoted the participation of 20 States in a nationally sponsored attack-related exercise and 700 State and local jurisdictions (including both Emergency Management Assistance (EMA) and non-EMA) in State and local conducted attack-related exercises.

  o Developed and enhanced software and procedures to allow States and Regions to access data remotely.

  o Continued support of the State and Local Emergency Management Data Users Group to improve emergency management by holding a national conference attended by personnel from 28 States.

  o Refined and enhanced software and procedures for computerizing the CCA reporting process including the development of a prototype financial module for the computerized Disaster Response Questionnaire which allowed States to enter information about disasters which may be counted in lieu of exercises.

  o Developed a prototype network which provides direct on-line access to the HICA/MYDP data base and direct transfer of CCA submissions.

  o Upgraded HICA/MYDP computer hardware and software to make it more responsive and accessible to users.

d. Changes From the 1990 Estimates. Reflects a decease of $221,000 in response to Congressional general reductions.

e. 1990 Program. In 1990, FEMA is allocating a total of $3,306,000 and 20 workyears to this program element, of which $1,027,000 is under Salaries and Expenses and $2,279,000 is under Emergency Management Planning and Assistance. The 1990 program provides for:

- Individual Mobilization Augmentees (IMA's). FEMA is allocating $1,362,000 in program funds to this activity, which will provide for the following:
  - Funding up to 600 IMA's (reservists) who will have assignments that directly support State and local continuity of government (COG), and provide training in State and local Emergency Operating Centers and Direction and Control systems. These assignments promote an increased capacity for civil authorities to direct and manage their response to national security emergencies and thereby enhance State and local COG efforts.
  - Continuing maintenance of the Category "H" program through the use of unpaid reservists who receive "points only" towards retirement in return for the training received at the State and local levels.
- Emergency Assessment System (EAS). FEMA is allocating $917,000 in program funds to this activity. This will allow FEMA to provide computer and technical support to State and local governments through the following activities:
  - Continuing support and encouraging expansion of the State and Local Emergency Management Data Users Group through a national conference.
  - Enhancing and refining computerized Comprehensive Cooperative Agreement (CCA) reporting procedures and software in all States, including prototyping the financial module.
  - Expanding the prototype network to provide direct on-line access to the Hazard Identification Capability Assessment/Multiyear Development Plans (HICA/MYDP) data base and direct transfer of CCA submissions.
  - Supporting the provision by 56 States and territories of CCA data through the Computerized Activities Results List.
  - Field testing the system in at least 5 FEMA Regions and 20 States.
  - Updating the local jurisdiction portion of the HICA/MYDP to reflect the latest budget data and the

status of capability development projects.

o Generating 112 State and 3,400 local summary and update reports on the NICA/MYDP data.

o Integrating of the EAS into a Comprehensive Assessment and Evaluation System, which will provide a uniform means of determine program success and quality.

o Supporting and enhancing the State and local exercise program and integrating it into the Comprehensive Assessment and Evaluation System.

o Promoting the participation of 15 States in a nationally sponsored attack-related exercise and 700 State and local jurisdictions (including both Emergency Management Assistance (EMA) and non-EMA) in State and local conducted attack-related exercises.

f. 1991 Program. In 1991, FEMA requests a total of $3,258,000 and 20 workyears for this program element, a net decrease of $48,000. Included in this total are $1,098,000 for Salaries and Expenses and $2,160,000 for Emergency Management Planning and Assistance. The 1991 effort funds up to 600 reservists at a cost of $1,250,000 and provides $910,000 to maintain the Emergency Assessment System (EAS), which provides information on the current status of State and local emergency preparedness required for program planning and evaluation, resources targeting, and management of civil defense SURGE in the event of a national security emergency, and automates the grants-in-aid process.

1991 Increases/Decreases. A base decrease of $119,000 adjusts resources within overall deficit-reduction requirements.

o Individual Mobilization Augmentee Program. The decrease of $112,000 will eliminate printing and ADP support funds in order to apply all available resources to the funding of military reservists to provide support to State and local emergency management organizations.

o Emergency Assessment System. The decrease of $7,000 reflects the reduced need for additional software purchases.

g. Outyear Implications.

o Individual Mobilization Augmentee Program. The program to be achieved by the end of 1995 is designed to provide a base-level IMA capability to plan and exercise State and local continuity of government and to provide staff for Emergency Operating Centers and communications systems. In addition, plans are underway for the eventual assignment of a total of 8,042 military retirees to State and local governments by the end of 1993.

- Emergency Assessment System. The base program to be achieved by the end of 1995 is intended to provide a wide area network through which the CCA and HICA/MYDP become "paperless" processes.

h. Advisory and Assistance Services. None.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
CIVIL DEFENSE
(Dollars in Thousands)

B. Radiological Defense

Estimates by Program Element	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
1. Planning & Development	EM-24	$2,896	$3,067	$3,006	$3,006	...
2. Instrumentation	EM-27	8,799	9,700	8,217	8,999	782
Total, Radiological Defense (Budget Authority)		11,695	12,767	11,223	12,005	782

Changes From Original 1990 Estimates. Reflects a decrease of $1,554,000 in response to Congressional general and specific reductions ($1,186,000) and reprogrammings as justified in the 1990 operating plan ($368,000).

B. Radiological Defense

1. Planning and Development

a. Authority. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, *et seq.*

b. Objective/Element Description. This element, which supports the Presidential policy objectives of POPULATION PROTECTION Guidance and Assistance and the plans for SUSTAINING SURVIVORS and POSTATTACK RECOVERY is the focal point for: the development of organizational and planning guidance for the Radiological Defense (RADEF) program required for survival and recovery in a fallout environment; the development and issuance of standards for protective measures; the development and issuance of technical guidance and program support for training; guidance and assistance in tests and exercises; and the development of PUBLIC INFORMATION materials. FEMA advocates that all States have qualified program specialists (Radiological Defense Officers, or RDO's), required to develop and manage their base-level nuclear attack RADEF Program. Through program grants, 100 percent funding is provided for one State RDO in each State to assist locals in developing RADEF Annexes to Emergency Operating Plans, to provide training, and to develop a statewide base-level program which can be SURGED in a national emergency. This is consistent with national objectives required for the implementation of Presidential policy.

The RADEF planning element provides a minimal-level capability which can be rapidly expanded during a crisis to a full RADEF capability in accordance with Presidential policy. This base capability includes plans for staffing, instruments and operations, and training instructors required to SURGE training. The developed plans and skills are applicable to DUAL USE in response to a peacetime radiological emergency. The State RDO is responsible for development, management, and implementation of the total RADEF system in the State and its local jurisdictions.

c. 1989 Accomplishments. In 1989, FEMA used a total of $3,121,000 and 5 workyears for this program element, of which $225,000 was under Salaries and Expenses and $2,896,000 was under Emergency Management Planning and Assistance. The 1989 program accomplishments included the following:

- Through the Comprehensive Cooperative Agreement process, provided 100 percent funding for one State-level Radiological Defense Officer in the 50 States and Puerto Rico.
- Assisted 500 local jurisdictions in developing or updating the Radiological Defense (RADEF) Annex to their Emergency Operations Plan (EOP), for a cumulative total of 2,432 RADEF Annexes developed/updated to date.
- Assisted in the conduct of 400 exercises of previously developed State and local RADEF Annexes to EOP's;

- o Provided RADEF training.
- o Monitored and maintained a nationwide RADEF data base on 3,450 jurisdictions reflecting the status of the RADEF programs and capability development in States and their local jurisdictions.
- o Improved the RADEF data bases so that the information could be updated/changed at the State level on individual personal computers and then uploaded to FEMA's mainframe computer.
- o Reviewed and revised RADEF guidance, and completed and printed TR-90, "Fallout Exposures Rate Prediction Tables," for use by State and local RADEF personnel for predicting future exposure rate measurements obtained soon after fallout arrival even if the fallout originated from multiple, nonsimultaneous detonations or if the times of the detonations were unknown.
- o Printed and distributed the following publications: CPG 2-1, "Radiological Defense Preparedness"; CPG 2-6.2, the "RADEF Manual"; TR-89, "Techniques for Predicting Fallout Radiation Exposure and Exposure Rate Measurements."
- o Conducted a pilot RADEF Automatic Data Processing (ADP) Systems Workshop to provide State level training of fully funded RADEF personnel for State level management of the RADEF ADP data bases.

d. Changes From the 1990 Estimates. Reflects a decrease of $61,000 in response to Congressional general reductions and a reprogramming as justified in the 1990 operating plan.

e. 1990 Program. In 1990, FEMA is allocating a total of $3,263,000 and 5 workyears to this program element, of which $257,000 is under Salaries and Expenses and $3,006,000 is under Emergency Management Planning and Assistance. Limited funding will be used to enhance and maintain the automated aspects of this program element. The 1990 program activities are as follows:

- o Revising and updating Radiological Defense (RADEF) guidance for State and local governments, including: "Developing a State or Local RADEF System" (CPG 1-30); "What Fallout is All About"; and the "Handbook for Post-Shelter Decontamination Operations."
- o Providing Automatic Data Processing (ADP) support to State and local governments in order to maintain the RADEF data base.
- o Conducting six RADEF ADP workshops to provide State level training of fully funded RADEF personnel on management of the RADEF ADP data bases.
- o Developing a national analysis of RADEF capabilities based upon the data provided by State and local

jurisdictions.

- o Providing RADEF training to State and local emergency management employees and volunteers.
- o Continuing 100 percent funding for State Radiological Defense Officers (RDO's) in 50 States and Puerto Rico, who will accomplish the following:
  - Update the RADEF Annexes to the State Emergency Operations Plan.
  - Assist approximately 700 local jurisdictions in reviewing/updating their RADEF Annexes, for a cumulative total of 3,183 RADEF Annexes developed/updated to date.
  - Provide updated information to the RADEF data base on 3,450 jurisdictions for use by State and local governments in assessing capability development.
  - Assist in the conduct of approximately 400 tests and exercises of previously developed State/local RADEF Annexes.
  - Participate in a national CIVEX-90 exercise, to test developed RADEF capabilities.

f. 1991 Program. In 1991, FEMA requests a total of $3,279,000 and 5 workyears for this program element, an increase of $16,000 above 1990. Included in this total are $273,000 for Salaries and Expenses and $3,006,000 for Emergency Management Planning and Assistance. Limited funding will be used to enhance and maintain automated aspects of this program element. The 1991 program activities are as follows:

- o Revising, updating, and printing updated operational and technical Radiological Defense (RADEF) guidance for Federal agencies and State and local governments to assist in developing functional RADEF programs based upon the base/SURGE concept and DUAL USE of RADEF capabilities.
- o Providing Automatic Data Processing (ADP) support to State and local governments in order to maintain the RADEF data base.
- o Continuing national analysis of RADEF capabilities based upon the data provided by State and local jurisdictions.
- o Continuing 100 percent funding for State Radiological Defense Officers (RDO's) in the 50 States and Puerto Rico, who will:
  - Assist approximately 500 local jurisdictions in reviewing/updating their RADEF Annexes, for a

cumulative total of 3,683 RADEF Annexes developed/updated to date;

- Assist in the conduct of approximately 400 tests and exercises of previously developed State/local RADEF Annexes; and

- Maintain the RADEF data base on 3,450 jurisdictions for use by State and local governments in assessing capability development.

1991 Increases/Decreases. None.

g. Outyear Implications. This program element will be focused on development of nationwide in-place SURVIVABLE CRISIS MANAGEMENT capabilities that have SURGEABLE components (e.g., radiological monitoring in fallout shelters) as well as DUAL-USE functions (e.g., radiological instruments for use by emergency services). This focus is consistent with the requirements of both the Federal Civil Defense Act of 1950, as amended, and Presidential policy.

h. Advisory and Assistance Services. None.

2. Radiological Instrumentation

a. Authority. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.

b. Objective/Element Description. This element, which supports the Presidential policy objectives of POPULATION PROTECTION Guidance and Assistance and the Plans for SUSTAINING SURVIVORS and POSTATTACK RECOVERY, provides essential instrumentation for use by government workers and emergency responders in a nuclear radiation exposure environment. Technical guidance and specialized training in the use of radiological instruments, predicting fallout, and protecting the population from the effects of nuclear radiation are provided under the planning and development element. Three types of radiological instruments are required for the civil defense program: dosimeters, chargers, and ratemeters. A contract awarded in 1989 provides for the development of a dosimeter manufacturing capability for the patented FEMA plastic direct reading carbon fiber dosimeter in the private sector that can be increased in a crisis. The 1989 contract includes the cost of initial one time set up of facilities, tooling etc., for production. The actual cost for the first 10,000 dosimeters after set up is $79 each. If the options for additional dosimeters are executed, the unit cost will decrease depending on the quantity (e.g., for 50,000-100,000 the unit cost would be $39). Contracts will be awarded in 1990 to initiate procurement of dosimeter chargers and ratemeters.

The instruments developed and procured by FEMA and provided to State and local governments are used to the extent possible for peacetime accidents involving radioactive materials as well as for their primary use, which is the detection of radioactive fallout from a nuclear attack. This program is critical for national security, POPULATION PROTECTION, and SURVIVABLE CRISIS MANAGEMENT.

c. 1989 Accomplishments. In 1989, FEMA used a total of $9,611,000 and 18 workyears for this program element, of which $812,000 was under Salaries and Expenses and $8,799,000 was under Emergency Management Planning and Assistance. Accomplishments were as follows:

- Continued operation of the FEMA Radiological Instrumentation Test Facility which oversees instrument design and development.

- Awarded five contracts/Interagency Agreements for continuing support in instrument development which provide for the following: Oak Ridge National Laboratory (ORNL) assistance in management of pilot production product and process improvements, repository of technical package for mass production of radiological instruments, and R&D support for ratemeters and chargers for all civil defense applications; two agreements with the National Institute for Standards and Technology (NIST) for (1) radiation standards and (2) development of improved radiation resistant insulating materials for radiological instruments; U.S. Army Communication Electronics Laboratory (USACEL) R&D support for all types of radiological problems; and ERC International for production quality control engineering support.

- Continued pilot production of the FEMA patented carbon fiber dosimeter at the William Langer Jewel Bearing Plant in Rolla, North Dakota, in order to perfect technical data packages for mass production in time of SURGE.

- Completed the Technical Data Packages (TDP) for the high range (0-200R) dosimeter and batteryless dosimeter charger.

- Awarded one contract for procurement of 10,000 of the patented FEMA high range (0-200R) dosimeters at a unit cost of $78.97.

- Provided logistical support for the Radiological Defense (RADEF) program through Interagency Agreements with ORNL for FEMA-owned radioactive material, and with the General Services Administration (GSA) for providing spare parts, supplies, and batteries required to support maintenance of the existing radiological instrument inventory at the State and local level.

- Completed a Civil Defense Radiological Instrument SURGE/Mobilization Base Production Analysis that identified FEMA alternatives for developing and maintaining a SURGE/mobilization production base capable of meeting national requirements consistent with the requirements of Presidential policy.

- Conducted applied research on dosimeters, chargers, and ratemeters which is designed to formulate a basis for building a capability to SURGE production in a national emergency.

- Funded 121 State workyears to operate 50 State RADEF Instrument Maintenance and Calibration facilities which are designed to maintain the existing inventory of 4.3 million radiological instruments and which accomplished the following:
  - 57,000 instrument sets were calibrated/exchanged.
  - 25,000 instruments were repaired.
  - 2,100 radioactive material training source sets were leak tested.

d. Changes From the 1990 Estimates. Reflects a decrease of $1,483,000 in response to a specific Congressional decrease of $1,000,000, a decrease of $354,000 for Congressional general reductions, and a reprogramming of $129,000 as justified in the 1990 operating plan.

e. 1990 Program. In 1990, FEMA is allocating a total of $9,144,000 and 18 workyears to this program element, of which $927,000 is under Salaries and Expenses and $8,217,000 is under Emergency Management Planning and Assistance. This will provide for:

- Continuing operation of the Radiological Instrument Test Facility and broadening its existing mission to support establishment of testing of electromagnetic pulse (EMP) protective devices and for developing a research and development capability for testing and evaluating other civil defense hardware, materials, systems, etc., for all civil defense programs.

- Providing continuation of logistical support for the Radiological Defense (RADEF) program through an Interagency Agreement with GSA for procurement and transportation of spare parts, supplies, and batteries required to support maintenance of the existing radiological instrument inventory at the State and local level.

- Continuing pilot production of the FEMA patented plastic carbon fiber dosimeter to complete the technical data package for the mid-range (0-20R) dosimeter and product improvement.

- Continuing instrument development under the following five contracts/Interagency Agreements: ORNL; NIST (2); USACEL; and ERC International

- Executing existing options under the 1989 dosimeter contract for procurement of 29,000 of the FEMA patented high range (0-200R) dosimeters at a unit cost of $47.50.

- Providing for 100 percent funding of 50 State RADEF Instrument Maintenance and Calibration facilities, with a total of 129 State level workyears of effort to accomplish the following:

- Calibration/exchange of 57,000 instrument sets
- Repair of 30,000 instruments
- Leak testing of 2,100 radioactive material training source sets

f. 1991 Program. In 1991, FEMA requests a total of $9,991,000 and 18 workyears for this program element, a net increase of $847,000 over 1990. Included in this total are $992,000 for Salaries and Expenses and $8,999,000 for Emergency Management Planning and Assistance to provide the following:

- o Grants to the States for maintenance and calibration of the existing inventory of 4.3 million Radiological Defense (RADEF) instruments distributed at the State and local level. This will provide 100 percent funding of 50 State RADEF Instrument Maintenance and Calibration facilities to:

  - Calibrate/exchange 57,000 instrument sets
  - Repair 40,000 instruments
  - Leak test 2,100 radioactive material training source sets
  - Initiate distribution of newly procured instruments at the State and local level

- o Instrumentation design and development to:
  - Continue operation of the RITF and expanded testing capability for all civil defense programs
  - Continue pilot production of the FEMA patented carbon fiber dosimeter to complete technical data packages for the (0-600R) dosimeter and product improvement
  - Continue instrument development under the following four contracts/Interagency Agreements: ORNL, NIST, U.S.Army, and DLA
  - Develop technical procedures for maintaining the existing inventory
  - Continue development of instrumentation for SURVIVABLE CRISIS MANAGEMENT including aerial survey meters, wide-range ratemeters for Emergency Operating Centers, and emergency services
  - Quality assurance in support of procurement initiatives
  - Initiate Industrial Preparedness Measures (IPM's) for development of a mobilization/SURGE production capability for radiological instruments
  - Logistical support for the existing inventory
  - Continue 1990 initiatives for procurement of 31,764 high range (0-200R) dosimeters, at a unit cost of $42.50
  - Initiate procurement of 11,300 batteryless dosimeter chargers

1991 Increases/Decreases. A base increase of $782,000 provides funds to initiate procurement of 11,300 chargers for dosimeters.

g. Outyear Implications. The RADEF program will be designed to provide for the attainment of improved State and local government capabilities to provide for the rapid expansion of radiological instrumentation capability by SURGE production during a national security emergency in accordance with Presidential policy.

h. Advisory and Assistance Services. None.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
CIVIL DEFENSE
(Dollars in Thousands)

C. Population Protection

Estimates by Program Element	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
1. Population Protection Planning..	EM-33	$8,240	$8,400	$7,957	$8,400	$443
2. Facility Survey, Engineering and Development...............	EM-36	3,749	3,918	2,878	3,918	1,040
3. Family Protection...............	EM-40	510	525	278	525	247
Total, Population Protection (Budget Authority)................		12,499	12,843	11,113	12,843	1,730

Changes From Original 1990 Estimates. Reflects a decrease of $1,730,000 for a specific Congressional decrease of $1,500,000, a general decrease of $125,000 in response to Congressional general reductions, and a reprogramming of $105,000 as justified in the 1990 operating plan.

C. Population Protection

1. Population Protection Planning

a. **Authority**. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.

b. **Objective/Element Description**. This element directly supports accomplishment of the POPULATION PROTECTION and SURVIVABLE CRISIS MANAGEMENT objectives in Presidential policy. It has an essential role to play in intergovernmental planning to support civil defense SURGE capabilities, another objective of Presidential policy. It is also the principal source of support for State and local resource management planning which is a crucial part of planning for SUSTAINING SURVIVORS and for POSTATTACK RECOVERY. Planning supported by this element is the basis for State-level emergency operations capabilities. This element, together with the Emergency Management Assistance (EMA) program, provides the core of the emergency management infrastructure at the State and local levels. The element provides 100 percent Federally funded resources necessary for the development, exercising and maintenance of Emergency Operations Plans (EOP's) for all States and 1,215 local county jurisdictions that do not participate in the EMA program. (The number 1,215 is the latest estimate for the non-EMA jurisdictions arrived at by FEMA after negotiations with the States on the level and allocation of EMA funding.) The planning structure developed through this element will incorporate a blueprint for nonparticipating jurisdictions to SURGE to a civil defense capability in a crisis period or time of national security emergency, consistent with Presidential policy.

This program provides State and local governments with a means to bring together, into one DUAL-USE EOP, the generally-applicable and the hazard-specific planning elements needed for nuclear attack, natural disasters, and technological accidents. Program activities contribute significantly to the accomplishment of all Presidential policy objectives. The special expertise of planners supported by the program will ensure that the updating and improvement of State and local EOP's in future planning cycles will begin to address the complex requirements generated by Presidential policy emphasis on SURVIVABLE CRISIS MANAGEMENT, INDUSTRIAL PROTECTION, and POSTATTACK SURVIVAL AND RECOVERY. State population protection planners perform as senior staff members upon activation of the State Emergency Operating Center during any emergency.

c. **1989 Accomplishments**. In 1989, FEMA used a total of 59 workyears and $11,114,000, of which $2,874,000 was under Salaries and Expenses and $8,240,000 under Emergency Management Planning and Assistance for this program element. Accomplishments included the following:

- Funded approximately 160 planners at the State level.
- Developed 206 State and local EOP's (this completed the 5-year development cycle for 1,221 previously identified non-Emergency Management Assistance jurisdiction EOP's).

- o Updated 144 previously developed multihazard EOP's.
- o Conducted 350 exercises.
- o Taught 125 multihazard planning workshops

d. Changes from the 1990 Estimates. Reflects a decrease of $443,000 in response to a specific Congressional program decrease and the Congressional specific and general reductions, and a reprogramming as justified in the 1990 operating plan.

e. 1990 Program. In 1990, FEMA is allocating a total of 61 workyears and $11,342,000 to this program element, of which $3,385,000 is under Salaries and Expenses and $7,957,000 is under Emergency Management Planning and Assistance. Limited funding will be used to enhance and maintain the automated aspects of this program element. This level supports the following:

- o Approximately 160 planners at the State level.
- o Completing, maintaining, and exercising EOP's for those jurisdictions that do not participate in the Emergency Management Assistance Program. In the maintenance activities, emphasis will be placed on development or refinement of key plan elements specifically related to nuclear attack preparedness and the incorporation of State and local continuity of government (S/L COG) considerations, in accordance with the implementation of the objectives established in Presidential policy. Specifically, funding through lump sum grants to the States will permit the State population protection planners to:
  - Complete approximately 50 and update approximately 300 State and local EOP's.
  - Conduct 350 exercises.
  - Conduct 150 Multihazard Planning Workshops.

f. 1991 Program. In 1991, FEMA requests a total of $11,733,000 and 61 workyears for this program element, a decrease of $52,000 in Salaries and Expenses and an increase of $443,000 in Emergency Management Planning and Assistance. Included in this total are $3,333,000 for Salaries and Expenses and $8,400,000 for Emergency Management Planning and Assistance. Limited funding will be used to enhance and maintain the automated aspects of this program element. This funding level will provide the resources to accomplish the following:

- o Support approximately 165 population protection planners at the State level.
- o Update and improve approximately 330 State and local EOP's.
- o Conduct approximately 330 functional exercises.

- o Focus on those S/L COG initiatives that will ensure continuation of vital State and local government functions and improve the capability of State and local governments to reconstitute and provide essential services during emergency conditions. Specific responsibilities will include:
  - Conduct workshops to train local emergency managers on the components of a COG system.
  - Work with other State and local officials to identify and fix COG and population protection planning and preparedness deficiencies.
  - Develop long-term recovery planning guidance for States in compliance with Presidential policy.

1991 Increases/Decreases. An increase of $443,000 will make it possible to maintain approximately the FY 1990 number of State level emergency management planners and provide enough operating expense money to ensure that the planners can carry out their tasks effectively.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

2. Facility Survey, Engineering and Development

a. Authority. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.

b. Objective/Element Description. This element identifies shelters for the American public to protect them from fallout and other hazards in the time of crisis. To date the program has identified approximately 246,000,000 fallout shelter spaces in over 370,000 facilities; however, new information obtained through the Nuclear Attack Planning Base - 1990 indicates that many may be located within high risk target areas.

FEMA's recently developed Nuclear Attack Planning Base - 1990, which provides targeting information, significantly changed the designation of assumed risk areas, and thereby areas which can be used for hosting evacuated populations. Much of the past surveying had been accomplished in areas now identified as at risk. FEMA needs to increase the pace of surveying in host areas and to update information to assure currency and quality control. Under the dynamic environment of demographics and construction within the United States, the integrity of the Population Protection Program can be maintained only if the information within the National Shelter Survey is up-to-date. Data more than 10 years old cannot be considered reliable.

Currently, this element, which supports the POPULATION PROTECTION provisions of Presidential policy, provides 100 percent Federal funding to participating States through the Comprehensive Cooperative Agreement process to identify, evaluate, and report fallout protection inherent in existing facilities, reception and care facilities, and those which can be upgraded to improve protection from fallout and other hazards. These facilities can serve a DUAL-USE purpose as the reception and care facilities may be used for peacetime emergencies involving natural and technological hazards. It also provides associated training, education and technical guidance in the design and expedient upgrading of facilities and provides technical support to the SURVIVABLE CRISIS MANAGEMENT initiative. The base program provides for the maintenance and updating of the inventory of shelters by State Fallout Shelter Analysts and through the use of summer-hire students who have completed the Shelter Survey Technician correspondence course. Output from the inventory is used by the Population Protection Planners in the development of Emergency Operations Plans. Under SURGE conditions, facilities capable of being upgraded would be identified from the inventory and upgrading methods would be employed to provide shelter in areas where shortfalls exist.

c. 1989 Accomplishments. In 1989, FEMA used a total of $5,161,000 and 29 workyears for this program element, of which $1,412,000 was under Salaries and Expenses and $3,749,000 was under Emergency Management Planning and Assistance. Accomplishments included the following:

- Funded 41 States which performed facility surveys in approximately 200 jurisdictions.
- Furnished resources to process the facility survey data for use by emergency management planners.

- Reviewed the data management system for the National Shelter Survey.
- Enhanced the Autocheck Survey Information System which provides automatic data entry, retrieval and report generating capabilities.
- Conducted facility survey shelter design courses in protective construction for major catastrophes for the architectural/engineering community.
- Provided facility survey skills and technology to college students to qualify them for survey employment at the State level.
- Updated previously qualified Fallout Shelter Analysts via correspondence courses.
- Disseminated technical publications on producing shelters to the architectural/engineering community and to the general public.
- Reviewed shelter upgrading techniques.

d. Changes from the 1990 Estimates. Reflects a decrease of $1,040,000 in response to specific and general Congressional reductions to this program.

e. 1990 Program. In 1990, FEMA is allocating a total of $4,514,000 and 29 workyears to this program element, of which $1,636,000 is under Salaries and Expenses and $2,878,000 is under Emergency Management Planning and Assistance. Limited funding will be used to enhance and maintain the automated aspects of this program elements. Plans include:

- Providing funding to an estimated 40 participating States for Facility Survey via the Comprehensive Cooperative Agreement process.
- Identifying shelters and maintaining an inventory of buildings which provide protection for the population from fallout in approximately 100 jurisdictions.
- Identifying temporary lodging for evacuees, and identifying those buildings which can be upgraded to improve fallout protection, in approximately 100 jurisdictions.
- Defining alternate methods to overcome the shelter deficit in reception areas.
- Developing capabilities in shelter design by sponsoring two Fallout Shelter Analysis courses and continuing the updating of previously trained and qualified Fallout Shelter Analysts.

- Maintenance and development of enhancements to the existing computer software applications of the program.

- Sponsoring the Blast Protective Design course for the engineering community.

- Sponsoring faculty from engineering and architectural schools to attend the Multiprotection Design Summer Institute, including Fallout Shelter Analysis, Blast Protective Design, Earthquake Protective Designs, Wind Engineering, and Designing Building Firesafety.

f. 1991 Program. In 1991, FEMA requests a total of $5,474,000 and 29 workyears, a decrease of $80,000 to Salaries and Expenses and an increase of $1,040,000 to Emergency Management Planning and Assistance. Included in this total are $1,556,000 for Salaries and Expenses and $3,918,000 for Emergency Management Planning and Assistance. Limited funding will be used to enhance and maintain the automated aspects of this program element. This funding level will provide the resources to accomplish the following:

- Surveying 200 jurisdictions, including approximately 346 risk area and 224 host area jurisdictions, for fallout shelters and reception and care facilities for inclusion on the National Shelter Survey data base ($3,295,000 - grants through the Comprehensive Cooperative Agreement process and/or contracts).

- Processing of the facility survey data for use by emergency management planners ($145,000 - contracts).

- Revisions to existing course presentations and development of a new course for the Facility Survey professional development program ($275,000 - contracts).

- Courses which provide design techniques to architects and engineers for evaluation and design of fallout protection in buildings and nuclear blast design to structural engineers ($30,000 - contracts).

- Promotion of the incorporation of protective design features into new construction in order to increase sheltering capabilities through a multi-hazard design courses for college faculty which will incorporate these techniques into their curricula ($125,000 - contracts).

- Shelter design guidance to State and local government and the general public ($48,000 - printing).

1991 Increases/Decreases. An increase of $1,040,000 restores the program to the 1989 level and is necessary to complete priority jurisdictions for the National Shelter Survey within a 10-year period. The increase also allows for revising existing professional development courses and producing a new course to strengthen the survey practices of program Fallout Shelter Analysts.

g. Outyear Implications. Once priority jurisdictions have been completed in 2001, the activities will be directed toward maintaining the data base on a 10-year cycle. Maintenance includes adding new facilities, deleting records for facilities which have been destroyed, and updating records for facilities which have been modified to the extent that their protective capabilities have been altered. In the outyears, FEMA will continue to emphasize protective design and to assure identification of features to protect the public in accordance with the objectives contained in Presidential policy. The program will include protection from low-level blast effects in the risk and near-in risk areas. In shelter development, FEMA will continue to pursue ways and means to have shelters included in all new building construction, including renovation, beyond the requirements of Executive Order 12656, as a long-term, meaningful way to address the continuing shelter deficit problems facing the United States. The program will be structured toward attaining an improved State and local government ability to provide for rapid expansion of POPULATION PROTECTION during the mobilization period of a national security emergency by providing guidance on local shelter upgrading, construction of expedient shelters, and marking and stocking of shelters.

h. Advisory and Assistance Services. None.

3. **Family Protection**

a. **Authority**. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.

b. **Objective/Element Description**. Presidential policy guidance on U.S. civil defense specifies as priorities three areas to improve attack and all other hazards preparedness capabilities: (1) providing **INFORMATION** to promote public understanding of attack and other threats and of actions to improve chances of survival; (2) fostering **VOLUNTARY PARTICIPATION** in community civil defense activities; and (3) developing plans and capabilities for **SUSTAINING SURVIVORS** and for **POSTATTACK RECOVERY** by provision of food, fuel, pharmaceuticals, and other life support essentials. Both citizen understanding and recovery plans are important elements of the base for **SURGE** improvements in the Nation's civil defense posture.

The goal of the Family Protection element is to enhance **POPULATION PROTECTION, SURVIVAL AND RECOVERY**, across all hazards as required by Presidential policy guidance and, ultimately, to enhance the resilience of the country in the face of nuclear attack and other threats, by (1) broadening public awareness of risks, threats, and survival or mitigation actions, (2) improving all-hazard preparedness at the family and neighborhood level by providing **INFORMATION** and materials to the public on civil defense and emergency preparedness, (3) increasing citizen participation in community emergency preparedness programs and training and (4) providing guidance on plans and preparedness for such life support systems as food, energy, sanitation, health and medicine, in coordination with those departments and agencies designated specific civil defense responsibilities by Executive Order 12656--Assignment of Emergency Preparedness Responsibilities, the 1988 executive guidance assigning specific preparedness responsibilities for national security emergencies.

Family Protection has a grass roots focus on getting family emergency preparedness and individual self-help **INFORMATION** into the hands of the public and encouraging the public to prepare themselves, at the family or neighborhood levels, for emergencies of all kinds, including nuclear attack. The Family Protection element supports the overall Population Protection Program by preparing the public to respond when State and local emergency plans are implemented. Implicit in the program is the idea that the family and community units provide the first line of defense, especially for catastrophic disasters.

c. **1989 Accomplishments**. In 1989, FEMA used a total of $510,000 under Emergency Management Planning and Assistance and no workyears for this program element. Emphasis in the first year of this program element was concentrated on producing products that State and local officials and **VOLUNTEER** organizations could use to begin the long-term effort of educating the public on threats and preparedness measures. Efforts were also focused on assembling **INFORMATION** and ideas needed to develop program concepts, policies, and guidance. Accomplishments included the following:

o Conducted a Symposium on Civil Defense Family Protection, Self-Help and **VOLUNTEERISM** at the Emergency Management Institute for FEMA Regional and State and local civil defense personnel and members of national **VOLUNTEER**, service and veterans organizations for the purpose of determining how to most effectively get the emergency preparedness message out to a broader segment of the U.S. population and how best to structure the Family Protection and VOLUNTEER program.

- o Developed and distributed to State and local civil defense officials and members of VOLUNTEER, service, and veterans organizations, a Civil Defense Speakers Kit containing presentations in talking point format and associated 35mm slides on various civil defense subjects.
- o Developed a prototype table-top, portable, civil defense exhibit for use by local and State civil defense personnel in distributing emergency preparedness materials.
- o Developed a citizen's brochure on emergency preparedness entitled "Are You Prepared?" for general public distribution.
- o Developed a civil defense pamphlet for elected and appointed local officials entitled "Are You Ready for the Next Disaster?--Guidelines for Public Officials on Emergency Planning."
- o Completed development of interim guidance for State and local governments for expedient emergency sanitation measures, and initiated development of final guidance on emergency sanitation as well as emergency provisioning of water. Completed a Medical Self-Help Survival Manual. Began planning for efforts to involve the Federal departments and agencies in the development of plans and guidance to State and local governments, private sector, VOLUNTEER groups and individual families and communities on how to ensure provision of essential life support services. This will be done in accordance with Federal department and agency responsibilities under Executive Order 12656, titled Assignment of Emergency Preparedness Responsibilities.
- o Completed research and development of draft guidance for community plans to provide for emergency water and sanitation to sustain survivors and to provide for an improved basis for recovery from major disasters, including attack.

d. Changes from the 1990 Estimates. Reflects a decrease of $247,000 in response to a specific Congressional reduction to this program ($210,000) and to a reprogramming as justified in the 1990 operating plan ($137,000).

e. 1990 Program. In 1990, FEMA is allocating a total of $278,000 and no workyears to this program element under Emergency Management Planning and Assistance. Limited funding will be used to enhance and maintain the automated aspects of this program. The program will also provide for the following activities:

- o Begin to develop, coordinate, and obtain approval of a Family Protection and VOLUNTEER/Self-Help program concept, development plan and requirements. Begin to develop the information necessary to prepare planning and implementation guidance for State and local governments, volunteer and service organizations, other Federal agencies and individual families and communities to assist them in implementing the program and in providing for the survival of the population in all emergencies.

- Conduct annual symposiums on family emergency preparedness and civil defense **VOLUNTEER** issues at the National Emergency Training Center to support program development and implementation. Produce and distribute reports on symposium findings and recommendations to the emergency management and disaster **VOLUNTEER** communities.

- Add one topic to the Civil Defense Speaker's kit and revise the Civil Defense display and supporting materials on risks, local community preparedness and citizen involvement for use by local emergency management personnel and members of **VOLUNTEER** organizations nationwide.

- Develop, field-test, produce and distribute to State and local governments and volunteer organizations printed materials and videocassette on civil defense and family emergency preparedness.

- Develop and implement initial capability to track dissemination and monitor use of Family Protection and **VOLUNTEER**/Self-Help **INFORMATION** materials through FEMA Regions and State and local governments and to assess their impact on preparedness.

- Complete and implement a strategy for obtaining the active involvement of other Federal departments and agencies (in accordance with their responsibilities under Executive Order 12656) in the development of Federal plans and guidance for State and local governments and the private sector on how to protect, repair, and restore life support systems such as food, water, energy, health and medical, in any emergency.

f. 1991 Program. In 1991, FEMA requests a total of $525,000 and no workyears for the program element, an increase of $247,000 under Emergency Management Planning and Assistance. Limited funding will be used to enhance and maintain the automated aspects of this program element. The request will provide for the following activities:

- Complete development of the Family Protection and **VOLUNTEER**/Self-Help program concept, development plan and requirements. Complete development of the information necessary to prepare planning and implementation guidance for State and local governments, volunteer and service organizations, other Federal Agencies and individual families and communities to assist them in implementing the program and in providing for the survival of the population in all emergencies.

- Conduct ongoing assessment of program results and the impact on preparedness and make necessary program adjustments to improve performance.

- Based on program results and experience, past conferences and experience in the field with the Civil Defense Speaker's Kit and supporting family protection self-help materials, develop and publish a Civil Preparedness Guide for FEMA Regions and State and local Emergency Management Assistance personnel on implementing the Family Protection Program and **VOLUNTEER** program.

- o Conduct symposium on family emergency preparedness and civil defense VOLUNTEER issues at the National Emergency Training Center, and produce and distribute a report on symposium findings and recommendations to the emergency management and disaster VOLUNTEER communities.

- o Continue to refine the Civil Defense Speaker's kit, exhibit, and supporting materials on risks, local community preparedness and citizen involvement for use by local emergency management personnel and members of VOLUNTEER organizations nationwide.

- o Develop, field-test, produce, and distribute to State and local governments and VOLUNTEER organizations printed materials and videocassettes on civil defense and family emergency preparedness.

- o Continue development, in coordination with departments and agencies, designated emergency preparedness responsibilities under Executive Order 12656, Federal plans and guidance for States and local governments and the private sector on how to protect, repair, and restore life support systems in such areas as food, energy, health and medicine.

1991 Increases/Decreases. An increase of $247,000 will allow for a substantial start on the implementation of the family protection plan and requirements and for the development and publication of the Civil Preparedness Guide to provide guidance to FEMA Regions and State and local governments on the Family Preparedness program. Additionally, these funds will support an effort to assess program results, successes, and failures.

g. Outyear Implications. None.

h. Advisory and Assistance Services. None.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
CIVIL DEFENSE
(Dollars in Thousands)

D. State and Local Direction, Control and Warning

Estimates by Program Element	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
1. Emergency Operating Centers.........	EM-45	$ 4,720	$ 5,000	$ 4,824	$ 5,000	$176
2. State & Local Warning and Communications Systems.............	EM-47	859	1,150	1,116	3,150	2,034
3. Emergency Broadcast System Guidance and Assistance............	EM-51	3,660	5,061	3,807	3,700	-107
4. Other State & Local Direction, Control & Warning..................	EM-53	1,461	2,100	1,908	3,000	1,092
Total, State & Local Direction, Control and Warning (Budget Authority).................		10,700	13,311	11,655	14,850	3,195

Changes From Original 1990 Estimates. Reflects a total decrease of $1,656,000 including a specific Congressional decrease of $1,094,000 to this program, a decrease of $181,000 for the general reduction, and a reprogramming of $381,000 as justified in the 1990 operating plan.

D. State and Local Direction, Control and Warning

1. Emergency Operating Centers

a. Authority. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.

b. Objectives/Element Description. This program element supports the SURVIVABLE CRISIS MANAGEMENT (SCM) Presidential policy objective and is an essential element of the Nation's emergency management readiness capability. The program element assists State and local governments in the development of Emergency Operating Centers (EOC's), including communications and life support features, to facilitate State and local direction and control and the continuity of State and local governments. Such assistance consists of 50/50 matching funds and technical assistance in the planning, design, and construction of EOC's. The EOC program is geared to developing an in-place SCM EOC capability at the State and State-alternate levels and in such local jurisdictions as may be necessary to effect a State-wide span of control.

This program enables State and local governments to have operational direction and control capabilities during attack, disasters, and postdisaster periods in order to respond to the needs of the population. The 1991 program will feature continued implementation of the SCM Presidential policy objective. It focuses on the replication of the prototype EOC projects initiated in 1988-1989 and the enhancement of other SCM projects begun in 1989-1990, including the local EOC's that are identified to be critical to the SCM objective. The objective is to provide maximum national direction and control coverage with the minimum Federal dollar output. The capabilities developed under this program element will be potentially survivable against radioactive fallout, located out of the high-risk nuclear blast areas, and operational on a day-to-day basis for natural and technological hazards, thus embracing the DUAL-USE concept contained in Presidential policy.

c. 1989 Accomplishments. In 1989, FEMA used a total of $5,468,000 and 15 workyears for this program element, of which $748,000 was under Salaries and Expenses and $4,720,000 was under Emergency Management Planning and Assistance. In 1989, FEMA:

o Provided technical assistance to State and local governments on new starts; upgrades; and on the design, development, and completion of funded Emergency Operating Centers.

- Provided funding assistance to seven State prototype SCM projects.

d. Changes From the 1990 Estimates. Reflects a total decrease of $176,000 in response to a general Congressional decrease for this program ($76,000) and a reprogramming as justified in the 1990 operating plan ($100,000).

e. 1990 Program. In 1990, FEMA is allocating $5,628,000 and 15 workyears to this program element, of which $804,000 is under Salaries and Expenses and $4,824,000 is under Emergency Management Planning and Assistance. These resources are supporting the following activities:

- Providing technical assistance to eight prototype SCM States for further development of projects begun in 1988 and 1989.
- Developing SCM capabilities in the prototype States and initiating SCM planning and development in other States.
- Analyzing and modifying guidance documents in accordance with SCM State experience.

f. 1991 Program. In 1991, FEMA requests a total of $5,831,000 and 15 workyears, an increase of $27,000 in Salaries and Expenses and $176,000 in Emergency Management Planning and Assistance. Included in this total are $831,000 for Salaries and Expenses and $5,000,000 for Emergency Management Planning and Assistance. This funding level will provide the resources to accomplish the following:

- In cooperation with State government officials, continue to implement the SCM system development program initiated in 1988-1990.
- Design and implement the statewide SCM networks that meet survivability criteria.
- Enhance State continuity of government and crisis management capabilities.
- Develop State deployment capabilities through State primary and alternate Emergency Operating Centers (EOC's) and emergency communications systems such as Emergency Broadcast System, Operation State Emergency Communications Using Radio Effectively (Operation SECURE), and Radio Amateur Civil

Emergency Services.

- Develop nonfacility and nonequipment features of the SCM design which will include State legal authorities, emergency operations plans, data bases, training, and exercises.

1991 Increases/Decreases. An increase to base of $176,000 will provide for continuation of ongoing EOC efforts and the introduction of nonfacility/nonequipment crisis management features.

g. Outyear Implications. This element will focus on the development of State EOC's, communications, and command and control activities as well as the establishment of a national SCM EOC network.

h. Advisory and Assistance Services. None.

2. State and Local Warning and Communications Systems

a. Authority. The Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.

b. Objective/Element Description. This element, which supports the Presidential policy objectives of SURVIVABLE CRISIS MANAGEMENT (SCM) and plans for SUSTAINING SURVIVORS IN POSTATTACK RECOVERY, is an integral element of the Nation's emergency management preparedness capability. It provides technical assistance and up to 50 percent matching funds to State and local emergency management offices for the development of emergency warning and communications capabilities in support of Federal, State, and local continuity of government and for response to all hazards, including nuclear attack. The capability provided by this program meets nuclear attack and day-to-day requirements and provides a foundation from which State and local warning and communications capabilities can be SURGED, in accordance with Presidential policy, during a national security emergency. During periods of crisis, these capabilities will be SURGED through the increased production of commercial equipment used within the program.

This element supports the establishment of a nationwide direction and control capability that integrates State and local government entities with Federal systems for response to and management of emergencies and disasters and ensures a SCM capability. This element further supports Presidential policy by establishing State and local requirements for survivable, reliable, and dedicated emergency warning and communications systems at the State and local levels of government and by providing the needed operational capabilities to maintain a SCM capability for protecting lives and property in transattack and postattack periods. Emergency warning and communications capabilities are essential to attack preparedness and in meeting peacetime emergency requirements. Therefore, this program fully supports attack and peacetime emergency environments. The establishment of a nationwide high frequency emergency communications network, an amateur radio network for backup emergency communications, and enhanced State and local warning systems will be realized through the placement of appropriate equipment in key Emergency Operating Centers at the State and local levels of government.

c. 1989 Accomplishments. In 1989, FEMA used a total of $1,358,000 and 10 workyears for this program element, of which $499,000 was under Salaries and Expenses, and $859,000 was under Emergency Management Planning and Assistance. In 1989, FEMA:

- Provided technical assistance to State and local governments in the development of survivable emergency warning and communications systems to support their SCM networks.
- Completed the National Security Emergency Preparedness J-10 Initiative Final Report on Communications Interoperability. The recommendations in the report will provide States INFORMATION needed to develop new and enhanced SCM systems. It will also help to ensure interstate and intrastate radio communications and links to Federal communications systems.
- Developed the Portable Emergency Data System (PEDS) operating system software, State data bases, and user training manuals. The PEDS software and manuals were distributed to the FEMA Regional Offices and State offices of emergency management.
- Provided financial assistance to 47 State and local jurisdictions for the purchase of Radio Amateur Civil Emergency Services (RACES) equipment.
- Provided financial assistance to States for the purchase of 20 Operation State Emergency Communications Using Radio Effectively (SECURE) radios.
- Provided financial assistance to 15 local jurisdictions for the upgrading of their public warning systems.

- o Developed a Telecommunications and Warning Systems Design course which has been successfully pilot tested.

d. Changes from the 1990 Estimate. Reflects a total decrease of $34,000 in response to a specific Congressional reduction ($18,000) and a reprogramming as justified in the 1990 operating plans. ($16,000)

e. 1990 Program. In 1990, FEMA is allocating $1,634,000 and 10 workyears to this program element of which $518,000 is under Salaries and Expenses and $1,116,000 is under Emergency Management Planning and Assistance. These resources are supporting the development of State and local SCM capabilities by:

- o Providing financial assistance to States and localities for the purchase of 150 Operation SECURE high frequency radios.
- o Providing financial assistance to States and localities for the purchase of 250 RACES high frequency base stations.
- o Providing financial assistance to States and localities for the upgrading of 60 alerting and warning systems.
- o Continuing development of an automated system for State and local Telecommunications Service Priority authorization.
- o Providing the Portable Emergency Data System (PEDS) operating system software and training manuals to the States.

f. 1991 Program. In 1991, FEMA requests a total of $3,696,000 and 10 workyears for this program element, an increase of $2,062,000 over 1990. Included in this total are $546,000 for Salaries and Expenses and $3,150,000 for Emergency Management Planning and Assistance. This program element will continue to support the development of State and local SCM capabilities by focusing on enhancing State and local warning and communications systems including:

- o Providing technical and financial assistance to State and local governments for establishing new and enhancing existing Operation SECURE systems.

- Providing technical and financial assistance to State and local governments for establishing new and enhancing existing RACES networks.
- Managing the State and local Telecommunications Service Priority (TSP) system.
- Supporting all State and local governments in the civil defense program on the use of the PEDS in their emergency communications plans for SCM.
- Continuing liaison and planning with Federal Preparedness activities to ensure compatibility of Federal, State, and local SCM telecommunications systems.
- Presenting the Telecommunications and Warning Systems course.
- Updating and distributing the PEDS State data base to FEMA Regional Offices and State and local offices of emergency management.

1991 Increases/Decreases. An increase of $2,034,000 reflects a base increase of $34,000 to adjust resources to accommodate program priorities within overall deficit-reduction requirements; and an increase of $2,000,000 to support the development of a national civil defense SCM network by:

- Providing financial assistance to States and localities for the purchase of 280 Operation SECURE high frequency radios.
- Providing financial assistance to States and localities for the purchase of equipment to support 311 RACES radios.
- Providing financial assistance to States and localities for the establishment or upgrading of 40 alerting or warning systems.
- Continuing sponsorship of TSP requests for State and local governments.

g. Outyear Implications. This element will focus on the improvement of communication linkages required to establish State and local SCN systems for effective warning and direction and control, especially in the areas of Federal, State, and local emergency radio links and networking.

h. Advisory and Assistance Services. None.

3. Emergency Broadcast System

a. Authority. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.

b. Objective/Element Description. This program element supports the requirements outlined in Presidential policy objectives for emergency PUBLIC INFORMATION, SURVIVABLE CRISIS MANAGEMENT, and POSTATTACK RECOVERY for SUSTAINING SURVIVORS. It provides 100 percent Federal funding to Emergency Broadcast System (EBS) station owners for development of essential capabilities to disseminate warning and emergency INFORMATION nationwide by the President and other public officials in the event of an enemy attack or peacetime disaster. This element provides protection packages to stations consisting of backup power with a 14-day fuel supply, emergency communications equipment, programming equipment, electromagnetic pulse protection, and fallout protection. The EBS stations that receive protection under this element are expected to be functional on a day-to-day basis as well as during war. They must be able to transmit life saving INFORMATION when commercial power may not be available during an emergency. In addition, these same stations must be able to provide INFORMATION to the public in the event of an enemy attack, including a capability for the President to address the public during transnuclear and postnuclear attack periods. In providing this capability, the EBS also supports State and local continuity of government, is critical to saving lives and preserving property, and is an integral part of the Federal continuity of government program. The total EBS system to be eventually protected consists of 30 Primary Entry Point (PEP) stations, an estimated 55 Originating Primary Relay Stations (OPRS), 250 State Relay Network Stations (SRNS),and 591 Common Program Control Stations-level 1 (CPCS-1). FEMA has ongoing studies developing a five-tiered process for: (1) identifying new priority stations and upgrading them to comply with all survivable EBS criteria; (2) inventorying EBS stations that were previously upgraded to EBS standards; (3) identifying deficiencies in previously upgraded stations; (4) enhancing survivability of emergency operational capabilities in those stations; and (5) ensuring maintenance of protection features and operational capabilities of all new and upgraded EBS stations.

c. 1989 Accomplishments. In 1989, FEMA used a total of $4,159,000 and 10 workyears for this program element of which $499,000 was under Salaries and Expenses and $3,660,000 was under Emergency Management Planning and Assistance. During 1989, maintenance, repair, and replacement of Emergency Broadcast System (EBS) equipment was accomplished to maintain the emergency operational capabilities of existing EBS stations. In 1989, FEMA:

- o Provided funding for new generators, repair of existing generators, purchase of emergency communications equipment, and electromagnetic pulse protection of 18 stations.
- o Conducted surveys at all 30 Primary Entry Point (PEP) stations and prepared preliminary specifications and procurement packages for the upgrading of station protection and enhancement of station emergency operational capabilities.
- o Initiated construction efforts to protect and upgrade the 30 PEP stations and install equipment. This effort commenced in the fall of calendar year 1989 and is scheduled for completion in 1991. The funding for these activities was provided in the 1988 and 1989 budgets.

d. Change From the 1990 Estimates. Reflects a decrease of $1,254,000 in response to a specific Congressional reduction to this program ($1,094,000), a Congressional general reduction ($60,000) and a reprogramming as justified in the 1990 operating plans.

e. 1990 Program. In 1990, FEMA is allocating $4,352,000 and 10 workyears to this program element of which $545,000 is under Salaries and Expenses and $3,807,000 is under Emergency Management Planning and Assistance. The goal of the Emergency Broadcast System (EBS) program is to have a minimum of 1 station in each of the 587 EBS operational areas protected. Original costs for providing protection features and enhanced survivable operational capabilities were estimated at $50,000 per station. Subsequent experience has shown, however, that such costs are closer to $125,000, depending upon the condition of the station involved. Based upon these revised estimates, 1990 funds are being used to provide protection for the full upgrading of 23 selected Originating Primary Relay Stations (OPRS) or State Relay Network Stations (SRNS), and approximately $800,000 will be used to maintain the protection and operational capabilities of previously protected stations. These stations will complement and support Primary Entry Point stations and the overall FEMA concept of SURVIVABLE CRISIS MANAGEMENT. Installation of radio equipment as well as construction of the facility shelter will require a multi-year effort. Such activities will continue to improve the current minimal capability to provide INFORMATION to the U.S. populace when all else fails. Stations selected for funding shall not be in an area of overpressure of greater than 2 pounds per square inch as defined in the Nuclear Attack Planning Base-1990 (NAPB-90) and must be designated as one of the following types of EBS stations in the following order of priority: (1) OPRS; (2) SRNS; or (3) Common Program Control Station-level 1.

f. 1991 Program. In 1991, FEMA requests a total of 10 workyears and $4,276,000 for this program element, a net decrease of $76,000. Included in this total are $576,000 for Salaries and Expenses, and $3,700,000 for Emergency Management Planning and Assistance program support. Program funds will be used to continue providing protection to 13 selected Emergency Broadcast System (EBS) stations toward the goal of a protected station in each of the 587 EBS operational areas, to maintain the present EBS infrastructure's operational capabilities (approximately $800,000), and to enhance program management's capabilities through Automatic Data Processing and maintenance of a current data base.

1991 Increases/Decreases. A base decrease of $107,000 adjusts resources to accommodate Civil Defense program priorities within overall deficit-reduction requirements.

g. Outyear Implications. During the outyears, funding will be dedicated to continuing protection of stations. The long-term goals are to have a protected station in each of the 587 EBS operational areas and to maintain the stations that have received or will receive protection.

h. Advisory and Assistance Services. None.

4. Other State and Local Direction, Control and Warning

a. Authority: Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.

b. Objective/Element Description. This element consists of two components: (1) Electromagnetic Pulse (EMP) protection; and (2) Maintenance and Services (M&S). These components directly support the Presidential policy objectives of POPULATION PROTECTION, SURVIVABLE CRISIS MANAGEMENT (SCM), and SUSTAINING SURVIVORS in POSTATTACK RECOVERY. The components of this element are:

(1) Electromagnetic Pulse (EMP) Protection. This component provides protection against the effects of EMP generated as a result of a nuclear detonation and also against the effects of lightning and other electrical power transients. EMP protection is necessary to assure the survivability of: (1) critical command, control, communications, life support, and other systems in Emergency Operating Centers (EOC's); and (2) essential State and local emergency PUBLIC INFORMATION warning and communications systems. All of the systems protected by this component are critical to the

support of State SCM capabilities. It also provides technical assistance to State and local jurisdictions through 100 percent Federal funding in the planning, design, and installation of EMP protective systems, supports testing of EMP devices and systems, and identifies SURGE requirements consistent with Presidential policy objectives.

(2) Maintenance and Services (M&S). This component supports State and local efforts to maintain operational capabilities of existing critical civil defense systems by providing funding assistance for the maintenance, repair, replacement, and service of systems and equipment in EOC's and for civil defense emergency communications and warning systems external to EOC's. Federal funds are provided at up to a 50 percent match to State and local governments.

c. 1989 Accomplishments. In 1989, FEMA used a total of $1,661,000 and 4 workyears for this program element of which $200,000 was under Salaries and Expenses and $1,461,000 was under Emergency Management Planning and Assistance. In 1989, FEMA:

- Developed and implemented a new electromagnetic pulse (EMP) program strategy for direct grants to the States and developed an EMP engineering design for Emergency Operating Centers (EOC's).
- Provided funding for EMP protection of 18 Emergency Broadcast System (EBS) stations and 18 EOC's.
- Developed a maintenance and survey management information system to enhance State and local capabilities to maintain the operational capabilities of critical systems and equipment.
- Provided $755,000 to 37 States for maintenance, repair, or replacement of direction and control equipment.
- Implemented the Emergency Support Services component with contractor support to develop guidance documents and planning models.

d. Changes From the 1990 Estimate. Reflects a decrease of $192,000 in response to a Congressional general reduction ($165,000) and a reprogramming as justified in the 1990 operating plans ($27,000).

e. 1990 Program. In 1990, FEMA is allocating a total of $2,168,000 and 5 workyears to this program element of which $260,000 is for Salaries and Expenses and $1,908,000 is for Emergency Management Planning and Assistance.

- Electromagnetic Pulse (EMP) Protection - is providing 100 percent funding support to Emergency Broadcast System (EBS) stations, States, and localities. Resources will provide:

- Costs incurred in protecting and maintaining the operational integrity of essential civil defense facilities, equipment, and systems from the effects of EMP. Such facilities would include 32 critical EBS stations and 10 Emergency Operating Centers (EOC's).

- Development of a 3-day technical EMP maintenance, inspection, and service training course for Federal, State, and local emergency personnel.

- Technical support and provision of EMP materials and equipment to States and localities.

- Establishment of "hands-on" field training for State and local personnel.

- Development of an EMP data base management and Computer Aided Design system.

- Maintenance and management of FEMA's EMP inventory of parts. Parts maintained in the inventory have a long production lead-time and are stored to ensure their timely availability to meet State, local, and EBS needs.

In addition, the EMP component is supporting the testing of EMP devices and materials designed to meet State, local, and EBS requirements to ensure that established performance criteria are met. These activities are coordinated with the EOC, SLW&CS and EBS elements of the Direction, Control and Warning program.

o Maintenance and Services (M&S) - is providing guidance and funding support to States to cover up to 50 percent of the costs incurred for maintenance, repair, replacement, and servicing of the equipment used for critical civil defense direction, control and warning facilities and systems. In addition, this component is responsible for managing and supporting the automated M&S Equipment Inventory and Maintenance Scheduling process designed to enhance State and local capabilities to more effectively manage their maintenance, repair, replacement, and inspection programs.

o Emergency Support Services (ESS) - Activity on this component has been discontinued in order to dedicate scarce funding and staff resources to support more critical elements of the State and Local Direction, Control and Warning program.

f. 1991 Program. In 1991, FEMA requests a total of $3,273,000 and 5 workyears for this program element, an increase of $1,105,000 over 1990. Included in this total are $273,000 for Salaries and Expenses and $3,000,000 for Emergency Management Planning and Assistance.

o Electromagnetic Pulse (EMP) Protection - will continue to provide 100 percent funding support for the engineering design, purchase, installation, and maintenance of EMP protective devices for the 41 Emergency Broadcast System (EBS) stations and State and local Emergency Operating Centers (EOC's) which are essential to provide PUBLIC INFORMATION and the warning and communications. It will also support:

- Developing and delivering technical guidance and training courses for State and local technicians.
- Testing of EMP devices and equipment.
- Managing and maintaining the EMP inventory of critical parts.
- Enhancing program management capabilities with Automatic Data Processing.
- Using the Computer Aided Design system by States and localities.

The EBS stations that are to be provided EMP protection through this activity will be selected in accordance with the priorities established under the EBS element of the Direction, Control and Warning program. The highest priority will be given to providing protection to those stations defined by the Broadcast Station Protection Program of the EBS element which also meet all EBS survivability requirements with the exception of EMP. The EOC's provided EMP protection under this program will be existing State and local EOC's identified by the EOC element of the Direction, Control and Warning program which also meet all operational criteria with the exception of EMP protection.

o Maintenance and Services - will provide funds to States on a matching basis up to 50 percent to be used for maintenance, repair, replacement, and servicing of existing critical State and local civil defense equipment and systems. This support will enhance the ability of State and local governments to maintain their operational capabilities.

1991 Increases/Decreases. An increase of $1,092,000 will be used to accomplish the following:

o Electromagnetic Pulse (EMP) Protection - The proposed program increase will allow for the protection of EBS and EOC facilities in 1991, and to provide technical support and to develop guidance and training courses in EMP at the managerial and technical levels for use by technical experts at the State and local levels.

o Maintenance and Services (M&S) - The proposed increase will allow for providing critical support to State and local efforts to maintain, service, repair, and replace (when required) essential components and equipment of their survivable crisis management systems.

g. Outyear Implications. Outyear focus of EMP will be on increased installation of EMP protective devices and systems in conjunction with SURVIVABLE CRISIS MANAGEMENT State systems and priority EBS stations; increased training of State and local technicians in EMP protection and the improvement of installation standards for EMP protection. M&S will support maintenance of critical State and local emergency civil defense operational capabilities by the provision of funding support, guidance, and technical support to States and localities.

h. Advisory and Assistance Services. None.

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E. Research

Estimates by Program Element	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
1. Research........................	EM-59	...	...	...	...	...
2. Systems Development............	EM-60	...	...	...	...	...
3. Policy and Planning............	EM-61	$581	$600	$543	$600	$5[illegible]
Total, Research (Budget Authority)..............		581	600	543	600	57

Changes From Original 1990 Estimates. Reflects a decrease of $57,000 in response to Congressional general reductions ($7,000) and a reprogramming as justified in the 1990 operating plans ($50,000).

E. Research.

1. Research

a. Authority. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, *et seq*.

b. Objective/Element Description. This element provides for the conduct of scientific and technical research in support of the objectives of Presidential Policy Guidance. The results of this research are then used for the development of policy and plans (under the Policy and Planning element) to reflect new developments and program innovations. SURGE activities and DUAL-USE considerations are included. The policies and plans are then translated into guidance for use by State and local governments, into which DUAL-USE applications are incorporated.

c 1989 Accomplishments. In 1989, FEMA used no funds for this program element.

d. Changes From the 1990 Estimates: None.

e. 1990 Program. In 1990, FEMA is allocating no funds or workyears for this program element.

f. 1991 Program. FEMA requests no funds or workyears for this program element.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

E. Research.

2. Systems Development.

a. Authority. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251 et seq.

b. Objective/Element Description: This element provides for developing, field testing, and demonstrating new designs and/or modifications in civil defense program elements at the State and local levels. This enhances program effectiveness by facilitating transfer of improvements to deployed programs in the field through field tests and demonstrations and providing new or improved guidance for State and local governments in support of Presidential policy guidance objectives (e.g., population protection, crisis management). SURGE and DUAL-USE considerations are included as applicable.

c. 1989 Accomplishments. In 1989 FEMA allocated no funds for this program element.

d. Changes From the 1989 Estimates. None.

e. 1990 Program. In 1990, FEMA is allocating no funds for this program element.

f. 1991 Program. FEMA requests no funds for this program element in 1991.

g. Outyear Implications: No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

E. Research.

3. Policy and Planning.

a. Authority: Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251 et seq.

b. Objective/Element Description: This element provides for overall civil defense policy planning and analysis and the preparation of policy options for consideration by the National Security Council (NSC), Office of Management and Budget (OMB), and the Department of Defense (DoD). It provides for ongoing review, development, and coordination of civil defense policy. It also provides for the development of civil defense program concepts, options and plans based on approved Presidential policy and for the development of strategic and long-range plans for the civil defense program. This element defines broad civil defense requirements and options for achievement of the requirements. This element also provides detailed planning for civil defense SURGE and Military Support to Civil Defense and personnel for the management, planning, and implementation of the emergency public information and family protection elements of the civil defense program. This element provides for all-hazard threat assessments to define the various threats the civil defense program must produce capabilities to address.

c. 1989 Accomplishments. In 1989, FEMA used a total of $987,000 and 9 workyears for this program element, of which $406,000 was under Salaries and Expenses and $581,000 was under Emergency Management Planning and Assistance. Accomplishments included:

o Initiation of a review of the U.S. national civil defense policy for the purpose of developing strategic goals and objectives and long-range program options and planning recommendations. This ongoing effort will support the National Security Emergency Preparedness (NSEP) policy review within the National Security Council.

o Analysis and development of strategies for implementing Presidential policy guidance.

o Development of detailed SURGE documents and plans as required by Presidential policy to implement a civil defense SURGE in an international crisis. These included new standby legislative and executive instruments to provide necessary legal authority for SURGE actions; SURGE shelter license forms; SURGE comprehensive cooperative agreement language; guides for shelter upgrading and shelter ventilation kit production; updated civil defense SURGE Budget Handbook; SURGE plans for hiring additional State and local government emergency management personnel and for augmenting Federal civil defense elements; and analysis of a management plan for applying the Defense Priorities and Allocations System for civil defense SURGE. A field test of the updated Civil Defense SURGE Budget Handbook was initiated.

o Continuation of periodic updates of the nuclear attack planning base (NAPB-90).

- Coordination of the development of CD training activities and assistance in and monitoring of training implementation.

- Implementation of emergency public information and family protection program activities.

- Completion of analyses of volunteerism in emergency management

- Completion of a survey of perceptions of local emergency management officials and capabilities of emergency management agencies.

- Maintenance of accumulated research results and distribution of research reports to users.

- Completion of a field test and demonstration of a system to detect spontaneous evacuation of population from cities during threat of peacetime disaster or attack, using existing traffic sensing devices built on highways.

d. Changes From the 1990 Estimates: Reflects a total decrease of $57,000 in response to Congressional general reductions ($7,000) and a reprogramming as justified in the 1990 operating plans ($50,000).

e. 1990 Program. FEMA requests a total of $1,164,000 and 10 workyears for this program element for 1990, of which $621,000 is under Salaries and Expenses and $543,000 is under Emergency Management Planning and Assistance. Limited funding will be used to enhance and maintain the automated aspects of this program element. Activities will focus on continued implementation of the Administration's civil defense policy and will include:

- Development of policy analyses and guidance which will clearly define and elaborate on civil defense concepts, program options and requirements that reach across individual civil defense program elements such as **SURVIVABLE CRISIS MANAGEMENT**, **SURGE**, family protection, emergency public information, military support for civil defense, and a base level civil defense requirements.

- Initiation of a program of strategic analysis, discussion and publication at universities or other academic centers on the strategic defense aspects of civil defense, involving recognized national security and public policy experts.

- Development of strategic goals and objectives and a long-range implementation plan for the U.S. civil defense program.

- Establishment of strategic, long range. and near term policy and program planning processes linked to requirements development and to capability assessment and program evaluation.

- Continuation of SURGE planning.
- Initiation of the development of SURGE exercise materials for use in State and local level exercises based upon SURGE scenarios and using the SURGE budget and documentation previously developed.
- Completion of analyses of public perceptions of effectiveness, credibility and acceptability of the CD program elements, in order to identify areas requiring improved preparedness measures and areas on which the public should be provided better information.
- Coordination of the development of civil defense training requirements and assistance in and monitoring of training implementation.
- Continuation of periodic updates of the nuclear attack planning base and development of all-hazard threat assessments.

f. 1991 Program. FEMA requests a total of $1,211,000 and 10 workyears for this program element for 1991, a net increase of $47,000. Of this total, $611,000 is under Salaries and Expenses and $600,000 is under Emergency Management Planning and Assistance. Limited funding will be used to enhance and maintain automated aspects of this program element. These resources will provide for the following:

- Ongoing development of policy analyses and guidance which will clearly define and elaborate on civil defense concepts, program options and requirements such as SURVIVABLE CRISIS MANAGEMENT, SURGE, family protection, emergency public information, military support for civil defense, and base level civil defense requirements.
- Continuation of a program of strategic analysis, discussion and publication at universities or other academic centers on the strategic defense aspects of civil defense, involving recognized national security and public policy experts.
- Ongoing development of strategic and long-range implementation plans for the U.S. civil defense program.
- Continuation of strategic, long range, and near-term policy and program planning processes linked to requirements development and to capability assessment and program evaluation.
- Definition and development of civil defense program requirements for meeting the objectives of Presidential civil defense policy, consistent with strategic defense planning.
- Integration of the civil defense program with Federal preparedness and with non-defense State and local government activities.

- Evaluation of program requirements and the means to achieve them (e.g., cooperative funding, self-help, volunteers, family preparedness) and development of civil defense program implementation options.

- Coordination of the development of civil defense training requirements and assistance in and monitoring of training implementation.

- Completion and testing of SURGE documentation and development of SURGE exercise materials.

- Continuation of periodic updates of the nuclear attack planning base and all-hazard threat assessments. Initiation of the development of all-hazard threat planning bases similar to NAPB 90.

1991 Increases/Decreases. An increase of $57,000 provides for completion and testing of standby SURGE documentation for implementing a CD SURGE during an international crisis.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

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F. Training and Education

Estimates by Program Element	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
1. Instructional Programs & Materials.........	EM-66	$641	$871	$816	$700	-$116
2. Training Field Deployment Systems..........	EM-70	5,451	5,700	5,600	5,464	-136
3. Resident Programs..........................	EM-71	1,828	1,499	1,698	1,743	45
4. NETC Site Administration...................	EM-74	1,830	...	1,713	1,750	37
5. Emergency Public Information.............................	EM-75	1,546	1,815	1,478	1,315	-163
Total, Training and Education (Budget Authority)........................		11,296	9,885	11,305	10,972	-333

Changes from Original 1990 Estimates Reflects a net increase of $1,420,000, including:

- o an increase of $1,750,000 to return funding for the Civil Defense portion of NETC Site Administration;
- o a Congressional increase of $344,000 to restore stipends in the Resident Programs;
- o a general reduction to this program of $228,000 in response to Congressional general reductions; and
- o a reprogramming reduction of $446,000 as justified in the 1990 operating plans.

F. Training and Education

This program uses a nationwide program of instruction to ensure that the individuals who are responsible for managing emergencies and protecting citizens from the impact of a range of hazards are trained to fulfill those responsibilities. It is the only national source of civilian training in management and technical skills critical to reducing the probable effects of a nuclear attack on lives, economic stability and continuity of State and local government functions.

State and local emergency managers, who plan for and manage most peacetime emergencies and who would constitute the personnel infrastructure to be surged in case of a national security emergency, are the primary target audience. However, appropriate training is also provided to other Federal, state and local government officials, emergency services personnel (fire, police, public works, medical), the private sector, allied professions, volunteers and the public through home study courses, videoconferences and school curriculum materials.

Training activities (courses, workshops, videoconferences) are delivered both at the Emergency Management Institute (EMI), FEMA's resident facility, and nationwide through State and local emergency organizations. Courses are developed and offered both for subject matter knowledge and skills and for instructor qualification (i.e. train-the-trainer).

1. Instructional Programs and Materials

a. **Authority**. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251 *et seq*.

b. **Objective/Element Description**. The objective of this program element is to provide for the development of courses and educational materials that support the training needs of civil defense/emergency management preparedness in communities throughout the nation, as defined by FEMA program mission and the FEMA Five-Year Curriculum Management Plan. The process for developing a course from an initial training requirement to finished course delivery takes approximately two years, and includes the development and pilot testing of instructor and student materials, audio-visual and graphic aids, and other resource materials, and, in some instances, the training of field instructors. Once developed, courses must be evaluated and revised periodically to reflect new information and policies. Activities included under the element are:

- **Comprehensive emergency management training**. Training activities are designed to establish or enhance comprehensive emergency management knowledge and skills related to emergency management functions (planning, resource management, risk management, etc.) which are common to all hazards, including attack. In addition to standard courses and workshops, exercise-based training tailored to a specific jurisdiction's hazards and emergency organizational structure is offered. In the Integrated Emergency Management Course (IEMC), a jurisdiction's emergency management team, including the top officials, are brought together and, after initial training, are involved in practical exercises that simulate high stress emergency situations and focus on management roles and relationships in a crisis situation. These "comprehensive" training activities are truly "dual use" in content and approach.

- **Hazard specific (national security) training**. Training activities are designed to provide hazard specific information in areas required to implement national security provisions. These training activities enhance comprehensive knowledge and skills by addressing aspects of emergency management unique to a national security emergency. Topics addressed include the civil/military interface in mobilization and recovery, civil defense policies, procedures and plans, and fallout protection. While these topics also have peacetime applications, the primary focus is on information required to prepare for, survive, and recover from a nuclear attack.

- Planning, evaluation and computer support. Supports program development, program evaluation and documentation, and improved use of computer technology in instruction and program management. These activities are aimed at determining the optimum training program to meet specified program objectives, assessing the quality and effectiveness of current training activities, and developing new delivery techniques, such as computer-aided instruction, which will allow more cost effective training delivery.

c. 1989 Accomplishments. In 1989, FEMA used a total of $866,000 and 5 workyears for this program element, of which $225,000 was under Salaries and Expenses and $641,000 was under Emergency Management Planning and Assistance. The following activities were conducted in 1989:

- Comprehensive emergency management training. Funding provided contractual services to develop courses and educational materials. The following activities were initiated: development of a slide/tape in support of developing volunteer resources; initiation of or continued revision of Introduction to Emergency Management, Formulating Public Policy and Emergency Planning courses within the Professional Development Series (PDS); development of computer-based instruction modules to support existing courses related to preparedness planning and emergency information management; provision of support materials related to adult education instructional techniques were provided to EMI field instructors; development of emergency management liability case studies; initiated development of an Emergency Operations Center (EOC) videotape and CD videotape entitled "Post Attack Recovery"; and continued development and pilot testing of the Telecommunications Systems Design Course.

- Hazard specific training. Funding provided contractual services to develop courses and course materials. Courses and training activities in which development of activities was initiated in 1988 were completed. In addition, the development of the following training activities in support of national security was initiated: readiness modules for inclusion in existing home study courses; National Security Emergency Preparedness course materials; FEMA/Red Cross Shelter Manager course materials; modules for deployment and inclusion in field courses; and an IEMC focusing on a national security event which was developed and pilot tested and efforts were initiated to use computer simulations in the exercise portion of the course

- Planning, evaluation and computer support. Funding provided contractual services in support of development of initial procedures for determining training requirements; review of civil defense courses by the American Council on Education for accreditation purposes; development of process and procedures for long-term evaluation of EMI Civil Defense training courses; completion of videocourse entitled "Computer Use in Disaster and Emergency Management Decisionmaking"; and continued expansion of EENET capability to deliver training to the field in peacetime or crisis environment.

d. Changes From the 1990 Estimates. Reflects a decrease of $55,000 in response to Congressional general reductions ($14,000) and reprogrammings as justified in the 1990 operating plans ($41,000).

e. 1990 Program. In 1990, FEMA is allocating a total of $1,093,000 and 5 workyears to this program element, of which $277,000 is under Salaries and Expenses and $816,000 is under Emergency Management Planning and Assistance. Comprehensive emergency management courses are dual use in nature and support the civil defense infrastructure by ensuring that State and local personnel (funded via other elements of the Civil Defense budget) as well as public officials and elements of the private sector have the appropriate knowledge and skills to plan for, respond to, and recover from emergencies caused by a variety of hazards including nuclear attack. In addition, courses containing more technical information support specific national security capabilities by providing trained staff to support survivable crisis management capabilities, and population protection measures. This core of technically trained professionals provides the personnel base to manage surge activities and ensure continuity of government functions in the event of a national security crisis. In addition, pre-packaged computer-based training materials and videoconferencing capability will facilitate training of augmented State and local staff required for surge activities. The Civil Defense outputs provide a wide variety of training activities and materials that will, through their dual use capabilities, enhance disaster preparedness and emergency management efforts at the State and local levels for other hazards and emergencies. These resources provide for the following:

- Comprehensive emergency management training. Activities will include development and/or revision to support comprehensive emergency management training, which has application to attack preparedness, in the area of maintenance and services by deploying two additional Professional Development Series Courses which were developed in 1988-89 for full field deployment of the series in 1990, as well as supporting audio visual, publications, and printing requirements.

- Hazard Specific (national security) training. Activities will provide hazard specific (national security) training in the following areas: population protection guidance and assistance area by developing three special topics modules for inclusion in field courses, and revision of Shelter Manager Course; survivable crisis management area by completing development of the Evacuation Planning Course, revision of State Radiological Defense Officer (RDO) Management course materials, and development of Urban Rescue training materials; surge planning area by completing development and pilot testing of computer assisted instructional (CAI) modules for radiological defense training; and maintenance and services (infrastructure) by supporting editorial support, audio visual and printing requirements.

- Planning, evaluation and computer support. Activities will include planning, evaluation and computer support in the area of maintenance and services (infrastructure) by implementing a development project for classroom computer equipment for use in computer simulation and exercise response capability; documentation of program office training requirements and conducting long-term evaluation of EMI Civil Defense Courses; and basic support for videoconferencing.

f. 1991 Program. FEMA requests a total of $990,000 and 5 workyears for this program element, a net decrease of $103,000 from 1990. Included in this total are $290,000 for Salaries and Expenses and $700,000 for Emergency Management Planning and Assistance. Comprehensive emergency management courses are dual use in nature and support the civil defense infrastructure by ensuring that State and local personnel (funded via other elements of the Civil Defense budget) as well as public officials and elements of the private sector have the appropriate knowledge and skills to plan for, respond to, and recover from emergencies caused by a variety of hazards including nuclear attack. In addition, courses containing more technical information support specific national security capabilities by providing trained staff to support survivable crisis management capabilities, and population protection measures. This core of technically trained professionals provide the personnel base to manage surge activities and ensure continuity of government functions in the event of a national security crisis. In addition, pre-packaged computer-based training materials and videoconferencing capability will facilitate training of augmented State and local staff required for surge activities. The Civil Defense outputs provide a wide variety of training activities and materials that will, through their dual use capabilities, enhance disaster preparedness and emergency management efforts at the State and local levels for other hazards and emergencies. These resources provide for the following:

o Comprehensive emergency management training. Approximately $160,000 will provide contractual services for development and/or revision to support comprehensive emergency management training, which has application to attack preparedness, in the area of maintenance and services (infrastructure) by initiating development of new courses in the information technology series, revising and updating materials within the Professional Development Series, and editorial, audio visual, publication and printing requirements.

o Hazard specific (national security) training. Approximately $295,000 will provide contractual services to support hazard specific (national security) training in the following areas: population protection guidance and assistance - revision of Multi-Hazard Planning course materials, revision of State and Local Continuity of Government course materials, and revision of Radiological Defense Officer course materials; survivable crisis management - development of a Federal Telecommunications Systems Design Course, revision of the Multi-Protection Design Summer Institute, and development of National Security Emergency Preparedness (NSEP) Course for Federal Emergency Managers; information for business/industry - development of Business/Industry Course; and maintenance and services (infrastructure) - editorial support, audio visual and printing requirements.

o Planning, evaluation and computer support. Approximately $160,000 will provide contractual services to provide planning, evaluation and computer support through the purchase of computer equipment and projection systems to allow instructional use of technology in traditional classroom settings, development of instructional software to support new and existing courses, and upgrading technology in the computer lab. In addition, $85,000 will be used for documentation of program office training requirements and conducting long-term evaluation of EMI Civil Defense courses, and to provide basic support for videoconferencing.

1991 Increases/Decreases. A base decrease of $116,000 adjusts resources to accommodate Civil Defense program priorities within overall deficit-reduction requirements.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

2. Training Field Deployment Systems

a. Authority. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251 *et seq*.

b. Objective/Element Description. This element supports a nationwide emergency management training infrastructure which delivers courses and other training activities developed at EMI to a variety of State and local target audiences. Financial assistance is provided to support State emergency training and exercise activities and personnel through Comprehensive Cooperative Agreements (CCA's). This element also supports other outreach efforts such as development of school curriculum materials and an active home study program. The training and exercise capability created and maintained by this program is the mainstay of EMI's nationwide deployment system and provides a cadre of instructors which could be surged in event of national security emergency.

c. 1989 Accomplishments. In 1989, FEMA used a total of $6,215,000 and 17 workyears for this program element, of which $764,000 was under Salaries and Expenses and $5,451,000 was under Emergency Management Planning and Assistance. The following activities were conducted in 1989:

- State & local training and exercise support. The State training infrastructure was maintained, 3,050 training activities were delivered to over 74,500 students, and support was provided to local jurisdictions in planning and evaluating exercises to improve emergency response capabilities. Approximately 3,950 exercises were conducted with 382,000 participants.

- Outreach and evaluation support. The home study program was maintained and a module of the Radiological Emergency Management Course was converted to computer based instruction. Field exercise data collection and analysis software was revised to be compatible with CCA and other civil defense/emergency management software. Efforts begun in 1988 to revise the Rescue Systems I Course continued.

d. Changes From the 1990 Estimates. Reflects a decrease of $100,000 in response to Congressional general reductions ($9,000) and a net reprogramming as justified in the 1990 operating plans ($10,000).

e. 1990 Program. In 1990, FEMA is allocating a total of $6,497,000 and 17 workyears to this program element, of which $897,000 is under Salaries and Expenses and $5,600,000 is under Emergency Management Planning and Assistance. These resources provide for the following activities:

- State & local training and exercise support. The State training infrastructure is being maintained, approximately 3,108 training activities will be delivered to over 76,000 participants, and support is being provided to local jurisdictions in planning and evaluating exercises to improve emergency response capabilities. An estimated 3,950 exercises are being conducted with approximately 382,000 participants.

- Outreach and evaluation support. The home study program is being maintained to support an estimated 16,000 requests for course materials (at a 55% level of verified course completion, or 8,800 completions). Field exercise data collection and analysis system provides analytical reports for use by State Offices of Emergency Management, as well as FEMA Headquarters and Regional Training Managers.

f. 1991 Program. FEMA requests a total of $6,460,000 and 17 workyears for this program element, a net decrease of $37,000 from 1990. Included in this total are $996,000 for Salaries and Expenses and $5,464,000 for Emergency Management Planning and Assistance. These resources will provide for the following activities:

- State & local training and exercise support. The State training infrastructure will be maintained, 3,030 training activities will be delivered to over 74,400 participants, and support will be provided to local jurisdictions in planning and evaluating exercises to improve emergency response capabilities. An estimated 3,950 exercises will be conducted with approximately 382,000 participants ($5,264,000 - grants through CCA's and $75,000 - contracts for printing and Regional support)

- Outreach and evaluation support. The home study program will be maintained to support an estimated 16,000 requests for course materials (at a 55% level of verified course completion, or 8,800 completions). Field exercise data collection and analysis system will provide analytical reports for use by State office of emergency management, as well as FEMA Headquarters and Regional Training Managers. ($125,000 - contracts)

1991 Increases/Decreases. A base decrease of $136,000 adjusts resources to accommodate Civil Defense program priorities within overall deficit-reduction requirements.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

3. Resident Programs

a. Authority. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251 et seq.

b. Objective/Element Description. This element supports student participation in resident training activities delivered by EMI. The resident EMI facility provides Federal, State, and local emergency management professionals and public officials from across the nation the opportunity to exchange experiences and ideas and to have access to courses which, due to the technical nature of the content or the stature of the instructors/speakers, cannot be effectively delivered through the field program. The resident program also trains the instructors for field courses, a function that is essential to maintaining the quality of field instruction, and provides an opportunity for key target audiences to participate in course development and testing. Annually over 3,000 students participate in Emergency Management Institute resident courses. The scope of training at EMI includes both comprehensive and hazard specific courses and activities.

c. 1989 Accomplishments. In 1989, FEMA used a total of $2,863,000 and 23 workyears for this program element, of which $1,035,000 was under Salaries and Expenses and $1,828,000 was under Emergency Management Planning and Assistance. All activities, to include courses, seminars, workshops, curriculum advisory committees, etc., were provided with the sole purpose of providing a focus for knowledge to prepare emergency managers, both State and local, to cope effectively during times of national crisis or calamity. The 1989 program included delivery of 77 activities, which included 17 train-the-trainer courses, for approximately 2,281 students in the following areas:

o Comprehensive emergency management training. Delivered 55 training activities for 1,623 emergency management personnel, continued support for liaison with the Red Cross, and support for the completion of Phase I and initiation of Phase II in the effort to establish local emergency management professionalism standards. In addition, the first "State Directors Seminar" was held at EMI with 35 State or Territorial emergency management directors/deputy directors and representatives from EMI's Board of Visitors. The program was developed with input from NEMA (National Emergency Management Association) to meet unique training needs of these senior State officials to improve knowledge and understanding of key issues likely to impact emergency management in the future. The knowledge and skills imparted in these course offerings will improve civil readiness and attack preparedness but also have broad application to emergency management functions common to all hazards.

o Hazard specific training. Delivered 22 training activities for 658 students. The increase in hazard specific (CD) training in 1989 focused on areas required to implement Presidential policy (e.g., continuity of government, surge capability, population protection measures, etc.), with emphasis placed on improving the ability of the State and local emergency management infrastructure to recognize and address national security threats.

In addition to the more traditional training activities related to CD, an Integrated Emergency Management Course using a national security related exercise scenario was pilot tested in 1989. Selection of future jurisdictions was dependent on local interest and national priorities. Six disaster preparedness seminars were conducted for 239 elected/appointed officials.

o Planning, evaluation and computer support. Six curriculum advisory committees (CAC's) involving 30-40 State and local emergency management experts were conducted in 1989. In addition to providing advance training to selected participants in new training or program areas, the CAC helps to ensure that training materials developed are relevant to State and local needs. Efforts begun in 1988 to develop an EMI computer lab continued with completion anticipated in early 1990.

d. Changes From the 1990 Estimates. Reflects a net increase of $199,000, including an increase of $344,000 to restore stipends, a decrease of $29,000 for the general reductions and a reprogramming of $116,000 as justified in the 1990 operating plans.

e. 1990 Program. In 1990, FEMA is allocating a total of $2,928,000 and 23 workyears to this program element, of which $1,230,000 is under Salaries and Expenses and $1,698,000 is under Emergency Management Planning and Assistance. The 1990 resident program includes an estimated minimum of 70 course offerings, which includes 18 train-the-trainer, for approximately 2,000 students in the following areas:

- o Comprehensive emergency management training. Approximately 27 training activities for 685 emergency management personnel are being delivered in the following areas: volunteerism - two course offerings for 50 students; maintenance and services (infrastructure) - continued support for the establishment of professional standards in emergency management through the National Coordinating Council in Emergency Management, continuation of the liaison with Red Cross, 23 course offerings for 575 students, two Exercise Design Train-the-Trainer offerings for 60 students, audio visual and printing support, editorial support for training materials, and equipment and classroom support for resident courses. The knowledge and skills imparted in these course offerings not only improve civil readiness and attack preparedness but also have broad application to emergency management functions common to all hazards.

- o Hazard specific training. Hazard specific (CD) training in 1990 is being focused on areas required to implement Presidential policy with emphasis placed on improving the ability of the State and local emergency management infrastructure to recognize and address national security threats. Approximately 35 training activities for 1,155 students are being delivered in the following areas: population protection - 12 course offerings for 300 students; survivable crisis management - 14 course offerings for 420 students, a National Security IEMC (State) for 65 people, and 6 disaster preparedness seminars for 240 elected/appointed officials; information for business/industry - one course offering for 30 students; sustaining survivors - one EMS Workshop for 100 students; maintenance and services (infrastructure) - audio visual and printing support, editorial support for training materials, and equipment and classroom support for resident courses.

- o Planning, evaluation and computer support. Approximately six curriculum advisory committees (CAC's) involving 30-40 State and local emergency management experts are planned for 1990. In addition, approximately 8 training activities for 128 students will be delivered in support of the computer and information management training. ($229,000 - for contracts for adjunct faculty, classroom support services, and student travel subsidies)

f. 1991 Program. FEMA requests a total of $3,075,000 and 23 workyears for this program element, an increase of $147,000 over 1990. Included in this total are $1,332,000 for Salaries and Expenses and $1,743,000 for Emergency Management Planning and Assistance. The 1991 resident program will provide an estimated 78 course offerings, which includes 16 train-the-trainer courses, for approximately 2,000 students in the following areas:

- o Comprehensive emergency management training. Approximately 30 training activities for 900 emergency management personnel will be delivered in the following areas: volunteerism - 2 offerings for 50 students; maintenance and services (infrastructure) - continued support for the implementation of professionalism standards in emergency management through the National Coordinating Council on Emergency Management, continuation of the liaison with the Red Cross, 28 course offerings for 850 students; audio visual and printing support, equipment, and classroom support for resident courses. The knowledge and skills imparted in these course offerings will improve civil readiness and attack preparedness but will also have broad application to emergency management functions common to all hazards. ($715,000 - for contracts for adjunct faculty, classroom support services, and student travel subsidies)

- **Hazard specific training**. Hazard specific (CD) training will continue to focus on areas required to implement national security requirements with emphasis placed on improving the ability of the State and local emergency management infrastructure to recognize and address national security threats. Approximately 32 training activities for 940 students will be delivered in the following areas: population protection guidance and assistance - 11 offerings for 315 students; survivable crisis management - 14 offerings for 395 students; information for business/industry - 2 offerings for 60 students; and maintenance and services (infrastructure) -5 offerings for 170 students, audio visual and printing support, equipment and classroom support for resident courses. ($725,000 - for contracts for adjunct faculty, classroom support services, and student travel subsidies)

- **Planning, evaluation and computer support**. Approximately six Curriculum Advisory Committees (CAC's) involving 30-40 State and local emergency management experts are planned for 1991. In addition to providing advance training to selected participants in new training or program areas, the CAC helps to ensure that training materials developed are relevant to State and local needs. In addition, approximately 8 training activities will be delivered to 160 students in support of the computer and information management training to include audio visual, printing, equipment and classroom support. ($303,000 - for contracts for adjunct faculty, classroom support services, and student travel subsidies) In addition, the Agency will host the Heads of Civil Defense Colleges Conference at the resident facility, thus providing a unique opportunity for exchanging educational approaches on an international level. Previous conferences in 1985, 1987, and 1989 were hosted by Canada, Australia, and the United Kingdom respectively.

1991 Increases/Decreases. A base increase of $45,000 will support rising student travel costs. As part of the 1991 budget submission, the Administration is proposing a student registration fee of at least $25.00 per week per resident student. While the administrative handling of the fee will be the responsibility of the resident facility, the funds collected will be returned to the United States Treasury.

g. **Outyear Implications**. No outyear implications over the 1991 request.

h. **Advisory and Assistance Services**. None.

4. **NETC Site Administration**

a. **Authority**. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251 et seq.

b. **Objective/Element Description**. This element provides for the Civil Defense share of the cost of operating the National Emergency Training Center (NETC) in Emmitsburg, Maryland, and supporting the Civil Defense training program of the Emergency Management Institute. The funding covers a portion of the facility costs such as maintenance, security, housekeeping, equipment, rent, and similar costs. Also included is a portion of the resources required to operate the learning resource center and the media support activity.

c. 1989 Accomplishments. In 1989, FEMA used a total of $2,549,000 and 16 workyears for this program element, of which $719,000 was under Salaries and Expenses and $1,830,000 was under Emergency Management Planning and Assistance. The 1989 program included providing the EMI Civil Defense share of facility operating costs. The facility operations costs included maintenance, security, housekeeping, equipment, transportation, rents, media support and library services.

d. Changes From the 1990 Estimates. Reflects a net increase of $1,713,000, including an increase of $1,750,000 to return current funding of the Civil Defense portion of Site Administration, a decrease of $27,000 for general reductions and a reprogramming reduction of $10,000 as justified in the 1990 operating plans.

e. 1990 Program. In 1990, FEMA is allocating a total of $2,351,000 and 16 workyears to this program element, of which $638,000 is under Salaries and Expenses and $1,713,000 is under Emergency Management Planning and Assistance. These resources provide the Civil Defense share of the cost of operating and maintaining the facility, providing administrative support to the National Emergency Training Center campus, and supporting the educational programs of the Emergency Management Institute.

f. 1991 Program. FEMA requests a total of $2,318,000 and 16 workyears for this program element, a net decrease of $33,000 from 1990. Included in this total are $568,000 for Salaries and Expenses and $1,750,000 for Emergency Management Planning and Assistance. The resources being requested are for the Civil Defense share of continuing the administrative support to the various organizational entities at Emmitsburg, and supporting the educational programs of the Emergency Management Institute.

1991 Increases/Decreases. A base increase of $37,000 in Emergency Management Planning and Assistance will partly offset uncontrollable cost increases.

g. Outyear Implications. There are no outyear implications beyond the 1991 request.

h. Advisory and Assistance Services. None.

5. Emergency Public Information.

a. Authority: Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251 et seq.

b. Objective/Element Description: Presidential civil defense policy guidance directs emphasis on providing information to the public to promote a clear understanding of threats, including nuclear attack, which may affect their localities, and on actions they can take to increase their chances of survival. This element will provide emergency PUBLIC INFORMATION materials to enhance citizen survival through promoting a clear understanding by the public of threats posed by hazards and emergencies, including nuclear attack, and the actions that can be taken to increase their chances of survival. It also provides for improving the ability of governments and the media to provide emergency information to the public in national security and peacetime emergencies. When coupled with governments' emergency operations in time of disaster, PUBLIC INFORMATION is the single most effective action to increase citizen survival.

This element has two key aspects: 1) Public education to increase awareness of threats and improve preparedness before an emergency occurs; and, 2) development and pre-placement of standby guidance, direction and life saving and sustaining emergency information for mass dissemination during periods of crisis or emergency. The first aspect promotes preparedness by private citizens and prepares the public to receive, understand and respond to emergency information and directions provided in time of crisis. The second aspect of the program element produces the standby emergency materials. The standby PUBLIC INFORMATION materials comprise an important part of the base capability required for a civil defense SURGE during national security emergencies. The public education aspect of emergency public information is closely coordinated with the Family Protection element of the Population Protection Program. Materials developed under Family Protection in limited quantities may be mass produced and widely disseminated under emergency public information. Similarly, emergency public information developed primarily for SURGE dissemination may be used in the Family Protection program during normal peacetime conditions, where appropriate.

c. 1989 Accomplishments. In 1989, FEMA used a total of $1,546,000 and no workyears for this program element, all of which was under Emergency Management Planning and Assistance. Accomplishments included:

o Initiation of the development of an emergency publication information and public education strategy and implementation plan.

o Restoration of stocks of two PUBLIC INFORMATION booklets which have been meeting the core needs of the American citizen for information on hazards, including attack effects and means of protection.

o Development of a number of additional civil defense information materials for use in encouraging public preparedness. These included an all-hazard risk booklet (showing risks faced by individual States and jurisdictions and providing survival information) and a citizen self-help manual. Both documents will be published and distributed in 1990.

o Initiation of action to update standby tapes for the Emergency Broadcast System for use in the event of a national security crisis.

o Initiation of action to update old and develop new standby emergency PUBLIC INFORMATION materials for mass media dissemination (print, radio and television) in time of international crisis or civil defense SURGE.

o Production of soundsheet and videocassette versions of FEMA's Emergency Preparedness Checklist for the blind.

o Initiation of a series of "challenge grants" to encourage proposals from State, local and private groups to improve public education on emergency preparedness and emergency PUBLIC INFORMATION capabilities.

- Development of a multi-hazard emergency shelter for use in public display/education at the Federal, State and local levels.

- Initiation of an analysis of how to reach all segments of the public effectively with emergency PUBLIC INFORMATION in today's media environment.

- Development of a process to define emergency PUBLIC INFORMATION requirements; to monitor the prepositioning, dissemination and use of the materials; and to measure the impact of the emergency public information element on preparedness.

d. Changes from the 1990 Estimates. Reflects a decrease of $337,000 in response to Congressional general reductions ($68,000) and reprogramming as justified in the 1990 operating plans ($269,000).

e. 1990 Program.. In 1990, FEMA is allocating a total of $1,520,000 and one workyear for this program element, of which $1,478,000 is under Emergency Management Planning and Assistance and $42,000 is under Salaries and Expenses. Limited funding will be used to enhance and maintain the automated aspects of this program. FEMA will accomplish the following in support of Presidential civil defense policy objectives:

- Complete the development of and begin implementing the emergency public information and public education strategy and plan begun in 1989.

- Review and define emergency PUBLIC INFORMATION and public education requirements that must be met to accomplish the Presidential civil defense policy objectives.

- Continue development of comprehensive, all-hazard PUBLIC INFORMATION materials on threats, including nuclear attack, and on means of protection, to supplement existing materials.

- Continue development of comprehensive emergency PUBLIC INFORMATION materials for mass media dissemination in time of international crisis or "SURGE" and initiate arrangements for prepositioning these materials.

- Develop, produce and distribute public educational and awareness materials on civil defense, especially materials on peacetime and attack hazards and means of protection. Such items may include civil defense displays, model or actual demonstration shelter exhibits and materials for use in the public schools, or other forum.

- Develop emergency information and related civil defense materials for business and industry.

- Print and stock emergency supplies of existing materials and new emergency PUBLIC INFORMATION materials developed in 1989 and 1990, including medical self-help information and additional materials for the handicapped.

- Continue to support a challenge grant program to stimulate development of civil defense information materials and programs by local and State governments and public service groups.

f. 1991 Program. In 1991, FEMA requests a total of $1,370,000 and one workyear, of which $1,315,000 is under Emergency Management Planning and Assistance and $55,000 is under Salaries and Expenses, a decrease of $163,000 in Emergency Management Planning and Assistance and an increase of $13,000 under Salaries and Expenses. Limited funding will be used to enhance or maintain the automated aspects of this program. The request will enable FEMA to reach maintenance level funding for this program element by the end of 1992, accomplishing the following in support of the Presidential civil defense policy objectives concerning emergency PUBLIC INFORMATION:

- Continue implementation of the emergency public information and public education strategy and plan.
- Complete the restoration of stocks of existing comprehensive, all-hazard PUBLIC INFORMATION on threats, including attack, and means of protection.
- Complete production of comprehensive emergency PUBLIC INFORMATION materials for mass media dissemination in time of crisis or SURGE (e.g., field-test materials developed under the 1990 program, revise materials as indicated by field tests, and produce). Complete standby arrangements for decentralized mass printing of comprehensive emergency PUBLIC INFORMATION in appropriate form, in time of international crisis or SURGE.
- Produce and use public education and awareness materials on peacetime and attack hazards and means of protection and related civil defense materials. Such items may include model or actual multi-hazard shelter demonstration exhibits or educational materials for use in public schools or other forums.
- Develop and produce additional emergency information and related civil defense materials for special groups (e.g., the handicapped, institutionalized populations, and school children), including adaptation of materials recently developed for the general public.
- Produce emergency information and related civil defense materials for business and industry developed under the 1990 program.
- Support a challenge grant program to stimulate development of all-hazards civil defense information materials and programs by local and State governments and public service groups.
- Complete an assessment of public education and emergency PUBLIC INFORMATION capabilities and define ongoing emergency public information program development, operations and maintenance requirements.

1991 Increases/Decreases. A decrease of $163,000 reflects the beginning of phase-down to maintenance level.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
CIVIL DEFENSE
(Dollars in Thousands)

G. Telecommunications and Warning

Estimates by Program Element	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
1. National Warning Systems..................	EM-80	$5,973	$7,552	$7,245	$7,500	$255
2. Washington Area Warning System...........	EM-82	565	151	500	...	-500
3. FEMA Switched Network.....................	EM-83	3,425	3,623	3,476	3,164	-312
4. FEMA National Radio System................	EM-84	4,154	3,988	3,476	3,450	-26
5. Information System Support Service.......	EM-85	2,799	2,800	4,290	3,624	-666
6. U.S. Army Civil Preparedness Detach......	EM-87	1,045	1,045	1,002	1,045	43
7. DoD Reimbursable Support..................	EM-88	621	645	622	645	23
Total, Telecommunications and Warning (Budget Authority)......................		18,582	19,804	20,611	19,428	-1,183

Changes From Original 1990 Estimate. Reflects a net increase of $807,000:

- a Congressional increase of $349,000 for WAWAS removal offset by a $349,000 decrease in other Telecommunications and Warning (T&W) programs
- a specific Congressional reduction of $500,000 to T&W programs
- a decrease of $302,000 for general reductions
- a reprogramming of $1,604,000 from other Civil Defense and Radiological Emergency Preparedness resources in order to charge ADP costs to this program rather than to the Automatic Data Processing program under the Salaries and Expenses appropriation
- a net reprogramming increase of $5,000 as justified in the 1990 operating plans.

G. Telecommunications and Warning.

This program manages telecommunications and dedicated warning systems, both federally-owned and leased, to support Civil Defense (CD) and emergency services to meet FEMA's mission. The associated multi-media communication systems enable FEMA to communicate in emergencies and day-to-day operations with other Federal departments and agencies, the States, the District of Columbia, and United States territories and possessions. The warning systems provide the initial attack/emergency message for the civilian population and selected civilian/military agencies. Technical planning expertise is also provided at the State and local levels relative to communications and warning requirements and the day-to-day use of all national systems to support emergency and administrative functions. The program objectives are: to provide the broadest possible dissemination of any warning to the civilian population with high reliability and to update and continuously expand existing systems within technical and fiscal constraints. The National Emergency Management System (NEMS) development goal is to provide the most responsive, reliable and survivable communications/information systems possible. The NEMS integrates all FEMA telecommunications, ADP, and information systems, and includes the National Warning System (NAWAS), Emergency Broadcast System (EBS), FEMA Switched Network (FSN), FEMA National Radio System (FNARS), and other FEMA owned/leased systems. Obsolete equipment within the CD systems is being replaced to increase reliability and efficiency. The development of State and local emergency communications and warning systems will assure their compatibility with the Federal system, specifically the NEMS. The Telecommunications and Warning program is essential to assure the survival of the population in the event of an attack and provides effective direction and control. It is also essential to Government Preparedness objectives as they relate to the protection and survivability of government leadership at the National, State and local levels. The program complies with Title V of the Civil Defense Act and with Presidential policy, which require that the CD program be designed with the capability to meet nuclear, natural, and man-made disaster-related requirements.

1. National Warning System (NAWAS)

a. Authority. The Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.

b. Objective/Element Description. The National Warning System (NAWAS) is a dedicated, commercially leased, nationwide voice telephone warning system operated on a 24-hour basis, with a National Warning Center (NWC) and an Alternate National Warning Center (ANWC) staffed by attack warning officers. Special purpose telephone circuits connect the NWC and ANWC to the following: FEMA Headquarters and regional offices; selected Federal departments and agencies; military installations; and State, county, and city warning points.

The attack warning information is received from the North American Aerospace Defense Command (NORAD) for dissemination by the NWC at Colorado Springs, Colorado, or the ANWC located at Berryville, Virginia. NAWAS is the only national system designed and maintained to warn the public of a nuclear attack, natural or man-made disaster.

The NAWAS consists of 63 circuits totalling approximately 170,000 nationwide circuit miles. The warning circuits are connected to approximately 2,126 terminals throughout the United States. About 1,600 are monitored at all times; the remaining 526 are monitored part-time for various reasons, e.g., Emergency Operating Centers (EOC's) are occupied only during business hours or during an exercise/emergency, and alternate/extension terminals are connected to the 1,600 full-time terminals. NAWAS terminals are also located at certain U.S. Coast Guard facilities for alerting ships at sea, and the National Oceanic and Atmospheric Administration (NOAA) for dissemination of warning via the weather network. Survivable and enduring transmission systems are being introduced into NAWAS to improve system response time and reliability of operations.

c. 1989 Accomplishments. In 1989, FEMA used a total of 6,753,000 and 19 workyears for this program element, of which $780,000 was under Salaries and Expenses and $5,973,000 was under Emergency Management Planning and Assistance. Over 6,000 actions were transmitted, received or initiated over the system. These actions included the status of downed or missing aircraft, reports of forest fires, and severe weather warnings. It was also used by the States to pass information concerning toxic hazards and coordination of plans in emergency situations.

d. Changes from the 1990 Estimates. Reflects a decrease of $307,000 in response to specific Congressional decreases to this program ($165,000) and a reprogramming of $142,000 as justified in the 1990 operating plans.

e. 1990 Program. In 1990, FEMA is allocating a total of $8,197,000 and 20 workyears to this program element, of which $952,000 is under Salaries and Expenses and $7,245,000 is under Emergency Management Planning and Assistance. The 1990 program provides for:

- Operation and maintenance of the warning system.
- 2,126 warning points at Federal facilities, State EOC's NOAA weather stations, and local emergency response facilities.
- Operation of the NWC and the AWWC on a 24-hour basis.
- Funding for circuits from the two warning centers through FEMA's Regional Offices to the State EOC's.

f. 1991 Program. In 1991, FEMA requests a total of $8,573,000 and 20 workyears for this program element, an increase of $376,000 over 1990. Included in this total are $1,073,000 for Salaries and Expenses and $7,500,000 for Emergency Management Planning and Assistance. These resources will provide for: (1) operations and maintenance of national circuits and Federal warning points and (2) full funding for leased communications cost and replacement of handsets and operating equipment.

1991 Increases/Decreases. The requested increase of $255,000 will be used to replace outmoded handsets and other operating equipment at the warning points.

g. **Outyear Implications**. The existing nationwide warning system will continue to disseminate warning to the civilian population. In addition, FEMA plans, as funding permits, to integrate the EBS, WAWAS and NAWAS into the interagency Public Information and Warning System (PIWS).

h. **Advisory and Assistance Services**. None.

2. **Washington Area Warning System (WAWAS)**

a. **Authority**. The Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251 *et seq*.

b. **Objective/Element Description.** The Washington Area Warning System (WAWAS) uses outdoor warning signals provided by pole and/or building mounted sirens to disseminate warning to the public. All sirens have been government-owned and contractor maintained. In addition to siren coverage, an indoor bell and light warning network has been installed at approximately 132 commercial and government offices. The bell and light network has been leased from the serving telephone company and paid for by the user; FEMA leases the control circuit. A non-secure, dedicated leased voice network interconnects the metropolitan emergency services headquarters, military bases, and police and fire departments.

A government-owned and contractor maintained radio system provides a backup to portions of the dedicated voice network. The system is activated at either the ANWC at Berryville, Virginia or the FEMA Region III Communications Center at FEMA's Olney, Maryland facility.

c. **1989 Accomplishments.** In 1989, FEMA used a total of $606,000 and 1 workyear for this program element, of which $41,000 was under Salaries and Expenses and $565,000 was under Emergency Management Planning and Assistance. This funding provided for: equipment and service for the area communications circuit hotline; electricity for 41 sirens and associated electronic equipment; and the bell and light system and the VHF-FM radio system, which is the backup for the communications hotline.

The indoor Bell and Light system has deteriorated to the extent that it has been rendered ineffective, because of unreported removals and disconnections of equipment, renovation of equipment locations in buildings, and the inability of the telephone company to maintain the antiquated system. This system has been discontinued as of the end of 1989.

In response to the Metropolitan Washington, D.C. Area Council of Governments' concern over faulty sirens, FEMA has proposed to repair the sirens, making them fully operational. FEMA will then give the sirens to the local jurisdictions with the option of applying for a 50/50 maintenance cost-sharing of the WAWAS system.

d. **Changes From the 1990 Estimates**. Reflects a Congressional increase of $349,000 for WAWAS removal.

e. 1990 Program. In 1990, FEMA is allocating a total of $550,000 and 1 workyear to this program element, of which $50,000 is under Salaries and Expenses and $500,000 is under Emergency Management Planning and Assistance. This funding will provide for the repair of the siren system, and costs of maintenance and operation until its transfer to local jurisdictions is completed.

f. 1991 Program. In 1991, FEMA requests no funding and no workyears for this program element, a decrease of $550,000 from 1990.

1991 Increases/Decreases. With the transfer of the siren system in 1990, this program will be terminated in 1991.

g. Outyear Implications. None.

h. Advisory and Assistance Services. None.

3. FEMA Switched Network (FSN).

a. Authority. The Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.

b. Objective/Element Description. The FEMA Switched Network (FSN) is an autonomous communications network under the direct control of FEMA personnel for use during day-to-day operations, national emergencies, natural disasters or other crisis situations. The network will ultimately be configured as a nationwide electronic tandem voice and data telecommunications system with both distributed and centralized network management to support FEMA's information systems requirements.

c. 1989 Accomplishments. In 1989, FEMA used a total of $3,918,000 and 12 workyears for this program element, of which $493,000 was under Salaries and Expenses and $3,425,000 was under Emergency Management Planning and Assistance. This funding provided for leased communications services costs, operations and maintenance, system engineering support, equipment for PABX upgrade, and upgrade of the PABX at Thomasville, Georgia.

d. Changes From the 1990 Estimates. Reflects a net decrease of $147,000 in response to a specific and general Congressional reduction to this program ($266,000) and a reprogramming increase as justified in the 1990 operating plan ($119,000).

e. 1990 Program. In 1990, FEMA is allocating a total of $4,144,000 and 15 workyears to this program element, of which $668,000 is under Salaries and Expenses and $3,476,000 is under Emergency Management Planning and Assistance. This funding will provide for the leased communications circuit costs, operations and maintenance of the system, and training and funding for the T-1's.

f. 1991 Program. In 1991, FEMA requests a total of $4,024,000 and 16 workyears for this program element, a net decrease of $120,000 and an increase of one workyear over 1990. Included in this request is $860,000 for Salaries and Expenses and $3,164,000 for Emergency Management Planning and Assistance.

The request includes the continued operations and maintenance of the system ($930,000); funding for leased communications circuits ($1,251,000); training ($33,000); and T-1 Carriers ($950,000).

1991 Increases/Decreases. A base decrease of $312,000 adjusts resources to accommodate Civil Defense program priorities within overall deficit-reduction requirements.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. In the 1991 request, FEMA Switched Network anticipates the use of $836,000 for advisory and assistance services.

4. FEMA National Radio System (FNARS)

a. Authority. The Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.

b. Objective/Element Description. The FEMA National Radio System (FNARS) is a dedicated high-frequency emergency voice and record communications system designed to provide survivable communications among FEMA Regions, Federal, and State government agencies. This system uses single sideband voice and radio teletypewriter techniques. It is a government-owned system with equipment installed in each FEMA Region, FEMA Headquarters, the Special Facility, all 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Commonwealth of Northern Mariana Islands, American Samoa, and Guam. In addition, FNARS provides a survivable augmentation to the FEMA Switched Network throughout the FEMA areas of responsibility.

c. 1989 Accomplishments. In 1989, FEMA used a total of $5,181,000 and 25 workyears for this program element, of which $1,027,000 was under Salaries and Expenses and $4,154,000 was under Emergency Management Planning and Assistance. This funding provided for:

- Operation and maintenance of the FNARS;
- Leased commercial communications circuits;
- Ancillary equipment; and
- Electromagnetic pulse protection technical support.

d. Changes From the 1990 Estimates. Reflects a decrease of $512,000 in response to specific and general reductions ($351,000) and a reprogramming as justified in the 1990 operating plan ($161,000).

d. 1990 Program. In 1990, FEMA is allocating a total of $4,712,000 and 25 workyears to this program element, of which $1,236,000 is under Salaries and Expenses and $3,476,000 is under Emergency Management Planning and Assistance. This funding level provides for operation and maintenance; procurement of additional radio equipment; leased commercial communications circuits; military assistance in performing site surveys, installation, repairs and maintenance of antennae; and support services for the system upgrade.

f. 1991 Program. In 1991, FEMA requests a total of $4,822,000 and 25 workyears for this program element, a net increase of $110,000 over 1990. Included in this total are $1,372,000 for Salaries and Expenses and $3,450,000 for Emergency Management Planning and Assistance. This funding will provide for the following contract actions: purchase of radio and ancillary equipment ($967,000); antenna upgrade ($860,000); military assistance for installation and maintenance ($100,000); training ($14,000); Electromagnetic Pulse Protection ($350,000); survivable antenna ($397,000); support for system engineering ($100,000); operations ard maintenance ($400,000); National Security Emergency Preparedness (NSEP) interoperability ($247,000) and leased commercial communications circuits ($15,000).

1991 Increases/Decreases. A base decrease of $26,000 adjusts resources to accommodate Civil Defense program priorities within overall deficit-reduction requirements.

g. Outyear Implications. Continued funding will be required for the system's operations and maintenance expense; to finish electromagnetic pulse (EMP) protection for State Emergency Operating Centers and Federal Regional Centers; to complete upgrade of VHF-DES radios; to institute modifications needed to maintain interoperability with other HF radio systems requiring connectivity with FEMA systems; and to complete upgrade of the survivable antenna systems.

h. Advisory and Assistance Services. In 1991, the request for the FNARS program element includes $320,000 for advisory and technical assistance services.

5. Information Systems Support Services

a. Authority. The Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.

b. Objective/Element Description. This program element provides for the various types of information, equipment, and services required to maintain information and communications capability not provided for elsewhere in FEMA's communications systems or support program elements. Communications services under this program element include the following: teletype services to receive weather data for use in predicting nuclear fallout patterns; protected cabling between the six Federal Regional Centers and associated AT&T hardened circuit switching centers;

AUTOVON service among Headquarters and Regions and the Department of Defense and other Federal departments and agencies; facsimile capability, both secure and non-secure; dedicated teletype circuits to the news services; information systems engineering, integration, and coordination; National Level Program (NLP) to implement the NSEP telecommunications program; Emergency Education Network (EENET) broadcast training and educational programs to emergency and disaster officials; Telecommunications Service Priority (TSP) to establish restoration priorities among NSEP telecommunication services; and Electromagnetic Compatibility Analysis Center (ECAC) support in analysis of frequency and related areas; and CD ADP support including providing computational support in the areas of planning, preparedness, mitigation, response and recovery, editing and inputing an estimated 100,000 transactions into the National Facility Survey/Reception and Care Survey (NFS/RAC) and Radiological Defense (RADEF) Station Inventory databases, and continued development of a three phase Distributed Data Processing (DDP) system.

c. 1989 Accomplishments. In 1989, FEMA used a total of $3,333,000 and 13 workyears for this program element, of which $534,000 was under Salaries and Expenses and $2,799,000 was under Emergency Management Planning and Assistance. This funding provided for the continuation of services which include AUTOVON, AUTODIN, news and weather services, secure and non-secure facsimile, and protected cables, and network and support systems for the EICC and the National Emergency Training Center (NETC). Also included were circuit costs and services for the Headquarters Communications Center and FEMA Switched Network (FSN); 15 programs on the Emergency Education Network (EENET): frequency spectrum analysis; Telecommunications Service Priority (TSP); electromagnetic compatibility analysis, frequency allocations and related support; system engineering for the FSN; agency-wide pagers for FEMA key personnel; and cellular telephones for Headquarters key personnel.

d. Changes From the 1990 Estimates. Reflects a net increase of $1,490,00: a reprogramming of $1,604,000 from Civil Defense programs and Radiological Emergency Preparedness programs; a decrease of $344,000 in specific and general reductions; and a reprogramming increase of $230,000.

e. 1990 Program. In 1990, FEMA is allocating a total of $4,983,000 and 14 workyears for this program element, of which $693,000 is under Salaries and Expenses and $4,290,000 is under Emergency Management Planning and Assistance. This funding will provide for continuation of recurring services described above; and technical and engineering support to the National Level Program to determine the most survivable network configuration to support NSEP interagency telecommunications requirements; and provision of Civil Defense activity level information services.

f. 1991 Program. In 1991, FEMA requests a total of $4,378,000 and 14 workyears for this program element, a net decrease of $605,000 from 1990. Included in this total are $754,000 for Salaries and Expenses and $3,624,000 for Emergency Management Planning and Assistance. This funding level will provide for contracts to procure the following ongoing services and capabilities: ECAC/Spectrum Management ($150,000); news services ($15,000); message processor ($135,000); Emergency Education Network ($120,000); communications circuit costs ($1,000,000); telephone services ($20,000); cellular telephones ($40,000); Pagers ($60,000); National Level Program ($150,000);

National Security Emergency Preparedness ($100,000); and tests and exercises ($150,000); and communications center operations supply and maintenance ($60,000); database management, damage analysis and other analytical support for Civil Defense programs ($1,624,000).

1991 Increases/Decreases. A base decrease of $666,000 adjusts resources to accommodate Civil Defense program priorities within overall deficit-reduction requirements.

g. Outyear Implications. No outyear implications over the 1991 request level.

h. Advisory and Assistance Services. None.

6. U.S. Army Civil Preparedness Support Detachments (CPSD).

a. Authority. The Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.

b. Objective/Element Description. The U.S. Army Civil Preparedness Support Detachments (CPSD's) augment the communications and security programs in the FEMA regional facilities. Under normal conditions the communications services required for planning and operations functions are provided by FEMA personnel. However, FEMA personnel are insufficient to staff these systems during emergencies requiring extended continuous operation. Reserve personnel are trained and exercised in civil preparedness communications and warning operations during weekend drills and annual 2-week training periods. They augment communications and security programs in the regions in the event of general war, in periods of national emergency or increased national and international tension.

c. 1989 Accomplishments. In 1989, FEMA used a total of $1,250,000 and 5 workyears for this program element, of which $205,000 was under Salaries and Expenses and $1,045,000 was under Emergency Management Planning and Assistance. This funding provided for eight reserve units that serve in the FEMA Regions. Region II and Region VII do not have reserve units. The reserve units partially participated in a FEMA- sponsored communications exercise and received training at monthly drills and during 2-week annual training tours.

d. Changes From the 1990 Estimates. Reflects a decrease of $43,000 in response to Congressional general reductions ($15,000) and a reprogramming as justified in the 1990 operating plan ($28,000).

e. 1990 Program. In 1990, FEMA is allocating a total of $1,231,000 and 5 workyears to this program element, of which $229,000 is under Salaries and Expenses and $1,002,000 is under Emergency Management Planning and Assistance. This funding will permit back-up for regional communications personnel in support emergency communications activities; participation in national communications exercises and FEMA-sponsored exercises; and performance of monthly drills and annual training sessions.

f. 1991 Program. In 1991, FEMA requests a total of $1,319,000 and 5 workyears for this program element, an increase of $88,000 over 1990. Included in this total are $274,000 for Salaries and Expenses and $1,045,000 for Emergency Management Planning and Assistance. The funding for Emergency Management Planning and Assistance will provide funding for monthly drills; two-week annual training; participation in national and FEMA-sponsored communications exercises; and support to FEMA in emergency communications activities.

1991 Increases/Decreases. The requested increase of $43,000 restores this element to its continuing minimum level.

g. Outyear Implications. None.

h. Advisory and Assistance Services. None.

7. DoD Reimbursable Support.

a. Authority. The Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251 et seq.

b. Objective/Element Description. The Department of Defense (DoD) provides support for communications and electronics functions on a reimbursable basis. The support is to ensure that the communications and warning systems meet the standards for national security, State and local requirements, and operational readiness.

c. 1989 Accomplishments. In 1989, FEMA used $621,000 for this program element under Emergency Management Planning and Assistance. The support provided for: site surveys, engineering, installation, testing, and acceptance of secure communications equipment at regional locations; engineering, installation, testing, and acceptance of FEMA National Radio System upgrades at FEMA Regions; calibrations of equipment for various FEMA sites; antenna maintenance; and military assistance.

d. Changes From the 1990 Estimates. Reflects a decrease of $23,000 in response to Congressional general reductions ($10,000) and a reprogramming as justified in the 1990 operating plan ($13,000).

e. 1990 Program. In 1990, FEMA is allocating $622,000 to this program element under Emergency Management Planning and Assistance. The funding will continue the services as described in the previous year.

f. 1991 Program. In 1991, FEMA requests $645,000 under Emergency Management Planning and Assistance for this program element, an increase of $23,000 over 1990. This funding will continue the ongoing services and projects as needed by the FEMA Regional communications centers in their day-to-day operations and continual radio and antenna upgrade.

1991 Increase/Decrease. The requested increase of $23,000 restores funding to the 1990 request level.

g. Outyear Implications. FEMA will continue to require these services, which are less expensive than contracting, to maintain its network of communications and warning systems.

h. Advisory and Assistance Services. None.

NATIONAL EARTHQUAKE PROGRAM AND OTHER HAZARDS
Activity Overview

The programs which comprise this activity are designed to enhance this Nation's capability to prepare for, respond to, and mitigate potential impact of disasters and emergencies. These programs are technically diverse, yet are interrelated. State and local governments are requested to coordinate programs to develop a multi-hazard, functionally integrated approach to emergency planning and response activities within these areas. Efforts will continue to be directed toward identifying opportunities to develop programs within this activity which support and complement each other, thereby enabling State and local governments to utilize available funds and resources more effectively and efficiently.

The major programs of the Emergency Management Planning Assistance portion of National Earthquake Program and Other Hazards are as follows:

- Earthquake, which provides for the development of an integrated and comprehensive approach to reducing the loss of lives and property from earthquakes through provision of technical and financial assistance to State and local governments in high/moderate risk areas to implement earthquake hazards reduction programs; development and adoption of improved seismic design and construction standards; public education and information transfer; Federal response planning; and overall leadership and coordination of the National Earthquake Hazards Reduction Program (NEHRP).

- Hurricane, which provides technical and financial assistance for the development of population preparedness and property protection in 28 high-risk areas.

- Dam Safety, which provides for the coordination and monitoring of activities to enhance the safety of Federal and non-Federal dams and provides technical assistance to State and local governments, as well as the private sector, on the design, construction, maintenance and operation of safe dams.

- Hazard Mitigation Assistance, which funds planning efforts to reduce potential hazards.

- Policy and Planning, which provides management support and oversight for administrative matters.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
NATIONAL EARTHQUAKE PROGRAM AND OTHER HAZARDS
(Dollars in Thousands)

	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Estimates by Program						
A. Earthquake....................	EM-93	$4,432	$4,030	$7,547	$10,510	$2,963
B. Hurricane.....................	EM-97	896	831	871	896	25
C. Dam Safety....................	EM-100	432	432	420	432	12
D. Hazard Mitigation Assistance...	EM-103	190	200	233	200	-33
Total, National Earthquake Program and Other Hazards (Budget Authority)................		5,950	5,493	9,071	12,038	2,967

Changes From Original 1990 Estimates

Reflects a net increase of $3,578,000 from the following:

- o a Congressional increase of $750,000 to Earthquake ($645,000), Hurricane ($65,000) and Hazard Mitigation Assistance ($40,000);
- o a transfer from the Office of the President of $3,000,000 to Earthquake, as provided in the emergency disaster appropriation in P.L. 101-130;
- o a Congressional decrease of $172,000 resulting from the general reduction, the sequester and a reprogramming as justified in the 1990 operating plan.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
NATIONAL EARTHQUAKE PROGRAM AND OTHER HAZARDS

(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	$246	$175	$215	$420	$205
25.0 Other services	3,679	3,688	3,918	7,339	3,421
26.0 Supplies and materials	19	...	...	...	...
31.0 Equipment	27	...	...	...	...
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	1,979	1,630	4,938	4,279	(659)
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	5,950	5,493	9,071	12,038	2,967

A. Earthquake

1. Authority. The Earthquake Hazards Reduction Act of 1977, as amended, 42 U.S.C. 7701 et. seq., and Executive Order 12699.

2. Objective/Element Description. The potential for catastrophic losses of life and property, injuries, and economic and social disruption as a result of a major earthquake was recognized by Congress in establishing the National Earthquake Hazards Reduction Program (NEHRP). The major authorized agencies of the NEHRP are FEMA, the U.S. Geological Survey, the National Science Foundation, and the National Institute of Standards and Technology.

In addition to FEMA being assigned by statute lead agency responsibilities for planning, reporting and coordinating all NEHRP activities, FEMA is charged with: (1) developing a comprehensive framework of mitigation, preparedness, and response planning for all levels of government; (2) developing and encouraging the adoption of improved seismic design and construction practices by Federal agencies, State and local governments and the private sector; and (3) developing public education and awareness programs. As a result, this program comprises the following categories of activities: lead Agency, seismic design, State and local hazards reduction, Federal response planning, earthquake education and information transfer, and multi-hazards planning.

3. 1989 Accomplishments. In 1989, FEMA used a total of $5,800,000 and 23 workyears for this program, of which $1,368,000 was under Salaries and Expenses and $4,432,000 was under Emergency Management Planning and Assistance. Noteworthy accomplishments include the following: as lead agency for the NEHRP, planned, coordinated, and promoted participation in the first National Earthquake Awareness Week, published a policy analysis of the first ten years of the NEHRP and submitted to Congress the NEHRP Fiscal Year 1988 Annual Report; published the NEHRP Recommended Provisions (1988 Edition) for new construction, completed and continued national seismic design studies and manuals to strengthen existing hazardous buildings, and continued a project to assess the vulnerability of lifeline systems from earthquakes; provided cost-shared financial assistance on a 75% Federal/25% State basis to support earthquake hazard reduction activities in 17 States; continued development of regional response planning supplements in support of the "Plan for Federal Response to a Catastrophic Earthquake" and conducted a full-scale Federal/State exercise to test the "Plan"; conducted public awareness workshops, training courses and information transfer activities; released the "Big Bird Get Ready for Earthquakes" kit; published the report "Estimating Losses from Future Earthquakes"; and published a guidebook on landslide hazard mitigation.

4. Change from the 1990 Estimates. Reflects a net increase of $3,517,000 in Emergency Management Planning and Assistance for the following: (1) a Congressional increase of $645,000; (2) a decrease of $56,000 for a sequester; and (3) a decrease of $72,000 for a general Congressional reduction. In addition, Public Law 101-130 appropriated to the President $12,000,000 of no year funds to be divided among the four principal NEHRP agencies for additional efforts to improve earthquake preparedness throughout the United States. A total of $3,000,000 of this appropriation was apportioned to FEMA for these purposes. $2,200,000 of FEMA's portion will be used to expand the funding assistance available to support State and local earthquake hazards reduction

be used to expand the funding assistance available to support State and local earthquake hazards reduction activities and up to $800,000 will be used to provide one-time grants to accredited State and local search and rescue organizations for training and for acquisition of specialized search and rescue equipment, to develop prototype search and rescue teams.

5. 1990 Program. In 1990, FEMA is allocating a total of $9,109,000 and 23 workyears for this program, of which $1,562,000 is under Salaries and Expenses and $7,547,000 is under Emergency Management Planning and Assistance. FEMA plans to accomplish the following major activities in support of the NEHRP.

- o Lead Agency - Continue activities detailed in the "NEHRP 5-Year Program Plan 1989-1993" designed to achieve consensus on the most appropriate and effective leadership functions; manage multiagency program coordination and statutory reporting requirements of the NEHRP; and initiate a revision of the NEHRP 5-Year Program Plan.

- o Seismic Design - Continue seismic safety design activities for Federal buildings and initiate support of Executive Order 12699, signed January 5, 1990; continue disseminating national seismic safety design provisions for non-Federal new buildings (1988 Edition); complete, continue, and initiate national seismic design guidelines, studies and manuals to strengthen existing hazardous buildings; and initiate projects to abate the seismic risk posed to lifeline systems including the Congressionally mandated study on the placement of lifeline systems in Cajon Pass, California.

- o State and Local Hazards Reduction - Continue developing guidance and providing financial assistance to support State earthquake hazards reduction activities in high risk States with emphasis on the application of mitigation techniques. Financial assistance will be cost-shared on a 50% Federal/50% State Basis. Continue to provide technical assistance to State and local governments, private sector, and individuals in implementing earthquake hazards reduction activities.

- o Federal Response Planning - Continue development of regional response planning and exercising activities to include seminars/workshops and tabletop exercises (Utah) in support of the "Plan for Federal Response to a Catastrophic Earthquake". Undertake first major revision of the "Plan", incorporating lessons learned from Hurricane Hugo and Loma Prieta. Initiate development of a national search and rescue mobilization capability by developing a data base of public and private resources available in the U.S. for heavy urban search and rescue efforts. Conduct workshop to develop standards for search and rescue teams; begin development of a national response model.

- o Earthquake Education and Information Transfer - Conduct public awareness workshops; develop and conduct training courses; and publish and disseminate handbooks, manuals, public awareness documents, and guidance materials.

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- **Multi-Hazards Planning** - Complete the earthquake insurance study started in fiscal year 1988; support National Academy of Sciences Committees; and support the U.S. Decade for Natural Disaster Reduction.

6. **1991 Program**. In 1991, FEMA requests a total of $13,420,000 and 35 workyears for this program, an increase of $4,311,000 from 1990. Included in this total are $2,910,000 for Salaries and Expenses and $10,510,000 for Emergency Management Planning and Assistance. This request will enable FEMA to accomplish the following activities in support of NEHRP.

- **Lead Agency** - Through contracts, acquire expertise and advice to support lead-Agency activities and to increase participation of new audiences in the NEHRP; and continue multi-agency program coordination and statutory reporting and planning requirements of the NEHRP, including submittal of the NEHRP 5-Year Program Plan 1992-1996 to the Congress ($240,000).

- **Seismic Design** - Through contracts, grants, and interagency agreements, continue support for E.O. 12699 in seismic safety activities for Federal buildings; publish and disseminate updated national seismic safety design provisions for non-Federal new buildings (1991 Edition); initiate and continue national seismic design guidelines, studies and manuals to strengthen existing hazardous buildings; and initiate and continue projects to abate the seismic risk posed to lifeline systems ($1,500,000).

- **State and Local Hazards Reduction** - Through grants, contracts, and cooperative agreements (of which $1,565,000 will be apportioned to States by formula), continue developing guidance and providing financial assistance to support State earthquake hazards reduction activities in high risk States. Financial assistance will be cost-shared on a 50% Federal/50% State basis and will continue to emphasize the application of mitigation techniques ($1,835,000).

- **Federal Response Planning** - Through grants and contracts, continue development of regional response planning and exercising programs, which consist of seminars/workshops and tabletop exercises (Washington), in support of the "Plan for Federal Response to a Catastrophic Earthquake"; conduct major workshop in Central U.S. to prepare for tabletop exercise in FY 1992 along New Madrid Fault; and continue development of a national search and rescue capability and mobilization system ($475,000).

- **Earthquake Education and Information Transfer** - Through grants, contracts and interagency agreements, conduct public awareness workshops; develop and conduct training courses; and publish and disseminate handbooks, manuals, public awareness documents and guidance materials ($415,000).

- **Multi-Hazards Planning** - Through contracts, cooperative agreements, and interagency agreements, support National Academy of Sciences Committees; and support the U.S. Decade for Natural Disaster Reduction ($80,000).

1991 Increases. The 1991 request includes a program increase of $ 2,963,000 from the combined 1990 direct appropriation and $3,000,000 transfer, and reflects recent research findings that state the probabilities of the U.S. experiencing a major earthquake before the year 2000 have increased. Currently, we are only minimally prepared to deal with a catastrophic earthquake. The proposed increase will support; (1) developing detailed loss estimation studies for high/moderate risk areas; (2) expanding seismic design standard development for new and existing buildings, particularly heavily occupied newer hazardous buildings; (3) expanding seismic design standard development for critical lifelines; (4) increasing financial support to State and local governments to implement response, preparedness, mitigation, and planning activities; (5) increasing earthquake public education efforts; (6) providing grants to accredited State and local search and rescue organizations for training and for acquisition of specialized search and rescue equipment; and (7) establishing a national system for identifying and mobilizing search and rescue teams in response to extraordinary disasters.

7. **Outyear Implications**. In 1992 and beyond, FEMA's earthquake activities will continue to reflect the base program detailed in the "NEHRP Five Year Plan for 1989-1993", and in the revision to this Plan which must be submitted to Congress in 1991. The revised "NEHRP Five Year Plan" will be for the time frame 1992-1996. These activities will, to the extent practicable, continue to respond to the recommendations and priorities included in the report of the Expert Review Committee of the NEHRP and to the advice obtained through the FEMA Advisory Committee on the NEHRP being established in 1990.

8. **Advisory and Assistance Services.** The 1991 request for the NEHRP includes approximately $100,000 for the following advisory and assistance services: administrative support for convening of the FEMA Advisory Committee on the NEHRP (to be established in 1990), as required under the Earthquake Act; and specific technical expertise that may be required to support FEMA's leadership of the NEHRP.

B. Hurricane

1. Authority. The Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L. 93-288 as amended by P.L. 100-707).

2. Objective/Element Description. The goal of the hurricane preparedness program is to reduce, abate and mitigate loss of life, injuries and property damages caused by hurricanes striking coastal areas of the United States and its possessions. With the technical assistance, funding and cooperation of the U.S. Army Corps of Engineers and the National Oceanic and Atmospheric Administration (NOAA), FEMA directs its efforts toward conducting hurricane preparedness studies in 28 highly populated risk areas extending from Texas to Maine including Hawaii, Puerto Rico, Virgin Islands, and Pacific possessions and territories. Currently, activities are in 15 of these areas. A hurricane preparedness study consists of a population preparedness project and, following later, a property protection project. Objectives of a population preparedness project are to provide hurricane evacuation data so that State and local emergency operations plans for evacuation can be developed and enhanced, to prepare public information materials, and to conduct a hurricane operations exercise. For a property protection project, objectives are to develop a hurricane hazards mitigation plan and prepare public information materials. Both projects are based on a hurricane hazard analysis that utilizes a state-of-the-art computer simulation model called Sea, Lake, Overland Surge from Hurricanes (SLOSH) developed by the National Weather Service (NWS). Through the application of SLOSH, the most probable areas of hurricane-caused coastal flooding and wind damages are identified. Completed Hurricane Preparedness Studies contribute to the overall development of State and local Emergency Operations Plans (EOP's) by addressing the unique requirements of a hurricane hazard, thereby enhancing capabilities in all emergency management functional areas.

3. 1989 Accomplishments. In 1989, FEMA used a total of $1,137,000 and 5 workyears for this program, of which $241,000 is under Salaries and Expenses and $896,000 is under Emergency Management Planning and Assistance. Noted accomplishments included the following activities: Continued population preparedness projects for Connecticut, Long Island, Massachusetts, Rhode Island, New Jersey, Virginia, Maryland, Hawaii, Southeast Florida, Southeast Louisiana, and Puerto Rico (San Juan); completed population preparedness projects for Delaware and the Virgin Islands; continued the property protection project for the Tri-State area (Florida Panhandle, Alabama, Mississippi); provided support to NWS to prepare SLOSH simulations for an initiation of a hazard analysis for Cape Canaveral, Florida and a revision of the model for Galveston Bay, Texas; provided support for the development of a manual on "Principles of Property Damage Mitigation, Southeast United States Barrier Coastline"; and continued support for development of, and publication of, hurricane public awareness brochures and booklets.

4. Changes from the 1990 Estimates. Reflects a net increase $40,000 in Emergency Management Planning and Assistance for the following: (1) a Congressional increase of $65,000; (2) a decrease of $11,000 for a sequester; and (3) a decrease of $14,000 for a general Congressional reduction.

5. __1990 Program__. In 1990, FEMA is allocating a total of $1,115,000 and 5 workyears for this program, of which $244,000 is for Salaries and Expenses and $871,000 is Emergency Management Planning and Assistance. Funds will be used for the following activities:

- o Provide support to NWS for SLOSH simulations to revise hazard analyses for Charlotte Harbor (southwest) and Tampa Bay in Florida.
- o Continue population preparedness projects in Connecticut, Massachusetts, Rhode Island, Long Island, Virginia, Southeast Florida, Southeast Louisiana, Florida (Cape Canaveral), Texas (Galveston), and Hawaii.
- o Complete population preparedness projects in New Jersey, Maryland, and Puerto Rico (San Juan).
- o Complete a property protection project for the Tri-State area (Florida panhandle, Alabama, Mississippi), and initiate a new project provided cooperative funding can be secured.
- o Continue support for development and publication of hurricane mitigation public awareness brochures, booklets and manuals and continuation of interagency coordination activities.

6. __1991 Program__. In 1991, FEMA requests a total of $1,147,000 and 5 workyears for this program, an increase of $32,000 over 1990. Included in this total are $251,000 for Salaries and Expenses and $896,000 for Emergency Management Planning and Assistance. This request will enable FEMA to accomplish the following activities:

- o __Hurricane Hazard Analyses__ - Through grants and interagency agreements, initiate and/or revise two hurricane hazard analyses using the state-of-the-art SLOSH computer simulation model to identify potential high hazard coastal flooding and damaging winds upon which population preparedness and property protection projects are based ($230,000);
- o __Population Preparedness Projects__ - Through grants and interagency agreements, continue hurricane evacuation projects in seven highly-populated risk areas and complete projects in four other areas ($516,000);
- o __Property Protection Projects__ - Through grants and interagency agreements, complete a property protection project or continue a property protection project ($80,000); and
- o __Hurricane Hazard Information, Education, and Coordination__ - Through contracts, continue development and publication of hurricane mitigation and public awareness brochures and manual and continue support of interagency coordination activities ($70,000).

1991 Increases. The 1991 request includes an increase of $25,000 that will slightly accelerate the completion of the population preparedness projects.

7. Outyear Implications. A priority will continue to be placed on population preparedness projects because of their emphasis on saving lives; however, the proportion of property protection projects to mitigate hurricane-caused damages will increase in future years as population preparedness projects are completed.

8. Advisory and Assistance Services. None.

C. Dam Safety

1. **Authority**. Executive Order 12148, Section 2-102.

2. **Objective/Element Description**. The Executive Order designated the Director of FEMA as the Federal Coordinator of efforts to promote the safety of dams. This designation came after several dam failure disasters in the 1970's which emphasized the need for Federal agencies to take action to improve dam safety. Subsequently, the U.S. Army Corps of Engineers' inventory of dams, completed in 1981, identified over 68,000 dams; 95%, or approximately 64,000, were non-Federally owned; 10,000 were classified high-hazard; and 3,000 were classified unsafe and 150 of these required emergency action. Thus the scope of FEMA's Dam Safety program was expanded to include both the Federal and non-Federal sectors.

   The goal of FEMA's Dam Safety Program is to enhance the safety of the Nation's dams. FEMA pursues this goal through three major activities: exercise of leadership to coordinate Federal activities through the Interagency Committee on Dam Safety (ICODS), which FEMA chairs, and to coordinate non-Federal activities through the Association of State Dam Safety Officials (ASDSO), the Interstate Committee on Water Policy, and others; development and dissemination of technical assistance; and preparation and dissemination of public awareness materials and services to increase public support for dam safety.

3. **1989 Accomplishments**. In 1989, FEMA used a total of $557,000 and 3 workyears for this program, of which $125,000 was under Salaries and Expenses and $432,000 was under Emergency Management Planning and Assistance. With these resources, FEMA provided leadership by coordinating and assessing Federal activities through ICODS and "Federal Guidelines for Dam Safety" compliance; reported to the President on Compliance for 1986 and 1987; developed delivery techniques and inventory methodologies to support State and local programs and to update the National Dam Inventory; supported the National Academy of Sciences' Water Technology Board; continued development and dissemination of Training Aids for Dam Safety (TADS); provided technical assistance by disseminating risk analysis video training, dam break models, emergency planning guidelines and other materials, conducting instructional workshops, and continuing a study to identify the total societal costs of dam failures; continued development of a library of historical dam failures; continued distribution of "Dam Safety - Know the Potential Danger", a public awareness brochure previously developed; co-sponsored 19 State dam safety workshops in 13 States; initiated development of video materials for dam safety for public awareness; and initiated an update of the Model Dam Safety Program.

4. **Changes from the 1990 Estimates**. Reflects a decrease of $12,000 in Emergency Management Planning and Assistance for the following: (1) a decrease of $5,000 for sequester; and (2) a decrease of $7,000 for a general Congressional reduction.

5. **1990 Program**. In 1990, FEMA is allocating a total of $545,000 and 3 workyears to this program, of which $125,000 is under Salaries and Expenses and $420,000 is under Emergency Management Planning and Assistance. FEMA will

undertake the following in support of the National Dam Safety Program:

a. Leadership - Coordinate Federal activities by chairing ICODS; complete preparation of the biennial report to the President on the status of the National Dam Safety Program for 1988 and 1989; continue a study of the total societal cost of dam failures; and complete the update of the Model State Dam Safety Program.

b. Technical Assistance - Revise, as required, technical manuals published earlier; disseminate technical guidelines, manuals and other technical materials; continue support for the development and dissemination of the Training Aids for Dam Safety (TADS); initiate the update of the National Inventory of Dams; implement phase V in the development of the library for historical dam failures; conduct approximately 8 training sessions including risk-based analysis; and continue support of the National Academy of Sciences' Water Technology Board.

c. Public Awareness - Continue development of dam safety video materials for public awareness; continue to disseminate public awareness brochures, audio-visual, and other materials; and co-sponsor approximately 10 State dam safety public awareness workshops.

6. 1991 Program. In 1991, FEMA requests a total of $563,000 and 3 workyears for this program, an increase of $18,000 over 1990. Included in this total are $131,000 for Salaries and Expenses and $432,000 for Emergency Management Planning and Assistance. These funds will enhance the safety of dams by providing for the following:

a. Leadership ($72,000) - Through contracts, and cooperative agreements, FEMA will: Coordinate Federal activities by chairing ICODS; coordinate an assessment of the National Dam Safety Program; initiate preparation of the biennial report to the President on the status of the National Dam Safety Program for 1990 - 1991; complete and publish the study on the total societal cost of dam failures; and encourage State adoption of the revised Model State Dam Safety Program.

b. Technical Assistance ($250,000) - Through contracts, and cooperative agreements, FEMA will: revise, as required, technical manuals published earlier; disseminate technical guidelines, manuals and other technical materials; continue dissemination of the TADS program materials; continue to update the National Dam Inventory; continue maintenance of the library of historical dam failures; conduct 7 technical training sessions utilizing risk-based analysis methodology; and continue support of the National Academy of Sciences' Water Technology Board.

c. Public Awareness ($110,000) - Through contracts and cooperative agreements, FEMA will: disseminate dam safety public awareness video materials; continue dissemination of brochures and other public awareness materials; and co-sponsor 10 State dam safety public awareness workshops.

1991 Increases/Decreases. The 1991 request includes an increase of $12,000 to fund the current level of activity.

7. Outyear Implications. From 1986 through 1989, five States created or enhanced dam safety programs. The number of States without dam safety legislation is reduced to two and by 1991, FEMA anticipates that the level of operational capability in dam safety at the State and local levels will have increased markedly. However, dam safety programs will not have been established in all States and FEMA's role vis-a-vis the States will continue to be providing the leadership, technical assistance and public awareness support to initiate, enhance and sustain these programs. The imperative needs of the Dam Safety program, as defined in the 1982 National Research Council Report, "Safety of Non-Federal Dams - A Review of the Federal Role," will be addressed until all are satisfied. FEMA will continue its activities at the Federal and non-Federal levels with emphasis on strengthening ICODS and on strengthening FEMA's relationship with the States through coordination with ASDSO and other organizations, and coordinating the Federal and non-Federal activities to update and maintain the National Inventory of Dams. This emphasis will assure the attainment of the goals and objectives of the National Dam Safety Program.

8. Advisory and Assistance Services. None.

D. Hazard Mitigation Assistance.

1. Authority. The Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, 42 U.S.C. App. 5121, et seq.

2. Objective/Element Description. Disaster Response and Recovery (DR&R) experience has shown that the effectiveness of post-disaster efforts to mitigate hazards as part of the recovery process is enhanced greatly if the affected communities or areas have plans in place to address how the community can incorporate protective measures against future disaster damage into the rebuilding process. The Hazard Mitigation Assistance program, authorized by Title II of P.L. 93-288, is designed to provide funding for pre-disaster planning in particularly vulnerable communities. Funding is used to identify mitigation opportunities and develop plans for future mitigation activities.

3. 1989 Accomplishments. In 1989, FEMA used $286,000 and 2 workyears to this program, of which $96,000 was under Salaries and Expenses and $199,000 was under Emergency Management Planning and Assistance. Program activities included funding of 11 projects, such as development of a sea-level rise hazard mitigation handbook, and the development of a dam safety program. Projects also included preparation of a report on homeowner self-help behavior in post-flood situations.

4. Changes from the 1990 estimates. Reflects a net increase of $33,000 in Emergency Management Planning and Assistance for the following: (1) a Congressional increase of $40,000; (2) a decrease of $7,000 resulting from the general reduction and sequester.

5. 1990 Program. In 1990, FEMA is allocating a total of $331,000 and 2 workyears for this program, of which $98,000 is for Salaries and Expenses and $233,000 is for Emergency Management Planning and Assistance. This request will enable FEMA to provide funding to all regions to support mitigation projects at the State and local level at an average cost of approximately $20,000.

6. 1991 Program. In 1991, FEMA requests a total of $301,000 and 2 workyears for this program, a net decrease of $33,000 from 1990. Included in this total are $101,000 for Salaries and Expenses and $200,000 for Emergency Management Planning and Assistance. This request will enable FEMA to provide funding to all regions to support mitigation projects at the State and local level at an average cost of approximately $20,000.

   1991 Increase/Decrease. The 1991 request includes a base decrease of $33,000 to adjust resources within overall deficit-reduction requirements.

7. Outyear Implications. As disaster-prone communities are assisted to develop effective mitigation plans, future post-disaster costs should be reduced for an overall net savings of disaster related funds.

8. **Advisory and Assistance Services**. None.

ACTIVITY OVERVIEW
Technological Hazards

This activity encompasses two FEMA programs which, through technical and financial assistance and coordination, develop/foster Federal, State and local capabilities to variously prepare for, respond to, and mitigate the consequences of technological emergencies. The technological hazards activity comprises Radiological Emergency Preparedness and Hazardous Materials programs.

The Radiological Emergency Preparedness (REP) program was initiated by FEMA in response to the President's directive of December 7, 1979, which requested FEMA to take the lead in offsite emergency response planning for commercial nuclear power facilities. Subsequently, in U.S. Nuclear Regulatory Commission (NRC) Appropriations Authorization legislation (P.L. 96-295 and P.L.97-415), FEMA was assigned a role in offsite radiological emergency preparedness in the NRC licensing of commercial nuclear power plants. The fixed nuclear facilities program encompasses all efforts dealing with offsite preparedness for commercial nuclear plant facilities, fuel cycle facilities, material license holders and appropriate Department of Defense (DOD) and Department of Energy (DOE) nuclear facilities. Commercial nuclear power plant facilities refer to those that are either licensed, or with the potential to be licensed, by the NRC for the commercial production of electrical power which, in most cases, are owned by private sector corporations. Fuel cycle facilities are installations that process nuclear materials for the production of nuclear fuel for use in commercial nuclear power plants and that store nuclear wastes and spent fuel. Material license holders include a variety of medical and industrial users of nuclear materials. The President further directed FEMA, in Executive Order 12241 of September 29, 1980, to prepare a Federal response plan for commercial nuclear power facility accidents. The FEMA/NRC Memorandum of Understanding of April 18, 1985, provides for FEMA review of offsite planning and preparedness for materials license holder sites. Most recently, Executive Order 12657, of November 18, 1988, assigned to FEMA the overall coordination and planning responsibilities whenever State or local governments, either individually or together, decline or fail to prepare plans that are sufficient to satisfy NRC licensing requirements or to participate adequately in the preparation, demonstration, testing, exercising, or use of such plans. In the event of an actual radiological emergency, FEMA will provide for initial Federal response activities, including command and control of the offsite response, as may be needed. Any Federal response roles shall be transferred to State and local governments as soon as feasible after onset of an actual emergency.

As part of its activities in the REP program, FEMA participates in and chairs the Federal Radiological Preparedness Coordinating Committee (FRPCC) composed of 12 Federal agencies. The FRPCC assists FEMA in providing policy direction to State and local governments in their radiological emergency planning and preparedness activities. The agency supports a variety of computer simulation modules, known as FEMA's Integrated Emergency Management Information System (IEMIS), which have application to the REP program.

The Hazardous Materials (HAZMAT) program encompasses support to State and local governments to improve their emergency preparedness capability to deal with major hazardous materials accidents. This includes hands-on technical assistance in the areas of planning, training, exercising, coordination, and information dissemination. The Agency provides financial support and interagency coordination for multi-agency initiatives that support State and local responsibilities mandated under SARA, Title III, which include: multi-agency consensus planning guidance, integrated training curriculum, public/private sponsorship of national workshops and teleconferences, multi-agency design, participation, and evaluation of exercises to test the implementation capability of emergency response plans, and the joint development and management of a hazardous materials information exchange system by FEMA and the Department of Transportation.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
TECHNOLOGICAL HAZARDS
(Dollars in Thousands)

	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Estimates by Program						
A. Radiological Emergency Preparedness................	EM-109	$4,924	$5,688	$5,031	$4,760	-$271
B. Hazardous Materials...........	EM-118	199	200	291	591	300
Total, Technological Hazards (Budget Authority)..........		5,123	5,888	5,322	5,351	29

Changes from Original 1990 Estimate.

Reflects a net decrease of $566,000 for the following:

Radiological Emergency Preparedness - a decrease of $657,000
- o a transfer of $500,000 from Radiological Emergency Preparedness to Training and Fire Programs and Civil Defense, as justified in the 1990 Operating Plan.
- o a Congressional decrease of $157,000 for general reductions and sequester.

Hazardous Materials - a net increase of $91,000
- o a Congressional increase of $100,000
- o a Congressional decrease of $9,000 for a general reductions and sequester.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
TECHNOLOGICAL HAZARDS
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	$42	$95	$120	$120	...
25.0 Other services	5,079	5,793	5,202	5,231	$29
26.0 Supplies and materials	...	...	...	...	...
31.0 Equipment	2	...	...	...	...
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	5,123	5,888	5,322	5,351	29

A. Radiological Emergency Preparedness

1. **Authorities**. Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2302(b)(8); and Executive Orders 12148, 12241, as amended, and 12657; and Presidential Directive of December 7, 1979.

2. **Objective/Element Description**. The Radiological Emergency Preparedness (REP) activity encompasses the Fixed Nuclear Facilities (FNF) program, which deals with offsite preparedness for 72 NRC-licensed, commercial nuclear power facilities and for an additional two currently under construction and not yet licensed for operation. The primary goal of the FNF program is to assist in the development of State and local offsite radiological emergency plans and preparedness within the emergency planning zones at these facilities. For commercial nuclear power plants, appropriate actions to protect the health and safety of the public in the event of a radiological emergency are reasonably assured through emergency planning and exercising of the plans. Also included in the FNF program are fuel cycle facilities, material license holders and certain Department of Defense (DoD) and Department of Energy (DOE) facilities. To date, program activities have been concentrated on commercial nuclear power facilities.

   Major activities under this program consist of the following: (1) reviewing State and local governmental radiological emergency preparedness plans implemented to protect the populace around FNF's and issuing findings and determinations (FEMA Rule 44 CFR 350) on the adequacy of these plans to the NRC, for use in the licensing process; (2) participating in Atomic Safety and Licensing Board (ASLB) hearings conducted by the NRC as part of this process; (3) reviewing and evaluating the biennial exercises of radiological emergency preparedness plans for commercial nuclear power facilities; (4) periodically exercising and updating the provisions of the Federal Radiological Emergency Response Plan (FRERP), which was published by FEMA in 1985 and is the basis for Federal response to major peacetime radiological emergencies; (5) continuing to develop and deploy the Integrated Emergency Management Information System (IEMIS), which provides computer data base support for the FNF programs, including evacuation, sound propagation and plume modeling capabilities; (6) evaluating annually public information materials that familiarize the public with risks associated with nuclear power plant emergencies; (7) providing radiological emergency training to the emergency management and response community and providing radiological instrument maintenance and calibration services; and (8) under Executive Order 12657, taking the necessary actions to ensure the preparation, demonstration, testing, exercising and/or use of emergency preparedness plans around commercial nuclear power plants whenever State or local governments, either individually or together, decline or fail to prepare such plans and/or respond to an actual emergency.

3. **1989 Accomplishments**. In 1989, FEMA used $8,726,000 and 78 workyears for this activity, of which $3,802,000 was under Salaries and Expenses and $4,924,000 was under Emergency Management Planning and Assistance. Noteworthy accomplishments included the following: (1) achieved a cumulative completion of 71% of the initial findings and determinations under 44 CFR 350 and conducted additional reviews and issued additional findings increasing the total number of findings issued since inception of the program to over 180; (2) participated in three ASLB hearings; (3) through support contracts: conducted 37 joint offsite exercises, 16 remedial exercises, 1 alert

and notification system (ANS) demonstration and public telephone survey; prepared 4 site-specific findings; conducted 70 ANS operability reviews; evaluated medical services drills for 72 sites; and participated in a DoD nuclear weapons accident exercise; (4) conducted FRERP training workshops at the Emergency Management Institute (EMI) and in Region X; (5) continued to develop and deploy IEMIS, including upgrading assessment capabilities, coordination of joint activities and support to training and education activities; (6) conducted two Agriculture Ingestion Pathway Workshops; (7) prepared in final "A Guide to Preparing Emergency Public Information Materials", and initiated planning of a second national Joint Information Systems conference; (8) conducted five REP Exercise Evaluator courses for Federal and State personnel; and (9) prepared a brochure for issuance on the Ingestion Exposure Pathway, distributed and implemented the Exercise Evaluation Methodology for interim use, and prepared a draft REP exercise manual.

4. Changes from the 1990 Estimates. Reflects a decrease of $657,000 in Emergency Management Planning and Assistance for the following: (1) a decrease of $157,000 for the sequester and general reductions; and (2) a transfer of $500,000 from Radiological Emergency Preparedness, as justified in the 1990 Operating Plan.

5. 1990 Program. In 1990, FEMA is allocating a total of $9,749,000 and 95 workyears to this activity, of which $4,718,000 is under Salaries and Expenses and $5,031,000 is under Emergency Management Planning and Assistance. For commercial nuclear power facilities, the program will continue radiological emergency preparedness plan reviews and stress preparedness improvements through exercises. The preparation and issuance of interim and final directives and procedures implementing Executive Order 12657, as reflected by final rule 44 CFR 352, effective September 1, 1989, will also be emphasized. By the close of 1990, FEMA anticipates that approximately 87% of the commercial nuclear power plant sites will have received initial formal reviews and approvals under 44 CFR 350.

A proposed rule to establish fees that will be charged to utilities for services which are site-specific in nature, and which are performed by FEMA under the REP program, will be finalized. This final rule will be implemented by FEMA during 1990 and is expected to result in recovery of a significant portion of the REP program budget through collection of fees which will be deposited directly to Treasury as general revenues.

Work involving the following areas will be accomplished:

a. Findings and Determinations for Offsite Radiological Emergency Plans and Preparedness

- Provide, under 44 CFR 350, 10 site-specific formal determinations of offsite radiological emergency plans and preparedness;
- Conduct 54 reviews of plans and preparedness previously approved under 44 CFR 350;

- Conduct annual certifications of State and local compliance with periodic requirements for all commercial nuclear power plant sites;

- Provide 55 site-specific determinations, findings, and status reports on offsite radiological emergency preparedness;

- Evaluate 45 joint exercises of radiological emergency response plans and report the results to the NRC;

- Conduct 70 ongoing alert and notification system operability and maintenance reviews;

- Issue 11 alert and notification system findings to NRC;

- Assist the NRC and/or agreement States upon request in reviewing offsite portions of emergency plans for nuclear material license holders; and

- Work with DoD and DOE to provide technical assistance to State and local governments for nuclear activities, and participate in exercises involving these activities, as requested by DoD and DOE. This assistance is designed to help State and local governments develop and enhance emergency plans, and to test those plans in exercises.

b. Atomic Safety and Licensing Board (ASLB) Hearings - These hearings are conducted by the NRC and are critical to the licensing process. Two ASLB hearings are projected that could require FEMA involvement and the involvement of contract support staff participating as expert witnesses.

c. Exercises - Joint exercises are the critical demonstration of the implementation of offsite radiological emergency preparedness plans around commercial nuclear reactors. It is projected that with the aid of contractor support, FEMA will conduct: 45 joint exercises (utility, State, and localities) with emphasis given to the ingestion pathway; 14 remedial exercises to resolve deficiencies discovered during joint exercises; and 3 ANS demonstrations and public telephone surveys.

d. Federal Response Plans

- Conduct two sessions of the FRERP Training Workshop for Federal, State, and local officials and industry personnel;

- Complete the planning activities preparatory to conduct of a post-emergency tabletop exercise involving Federal, State and local officials and industry personnel, and conduct this exercise in Region VI;

- Continue to review and update emergency preparedness based on the response to and lessons learned from the Chernobyl accident; and

- o Develop the draft revision to the Federal Radiological Emergency Response Plan to bring it in line with Executive Order 12657 and implementing rule, 44 CFR 352, the Federal Field Exercise (FFE-2), the lessons learned from the Chernobyl experience, and the National System for Emergency Coordination (NSEC).

e. Integrated Emergency Management Information System (IEMIS)

- o Coordinate the linking of several minicomputers within an IEMIS network as a basis for stronger interaction with State and local governments;
- o Upgrade IEMIS software to improve the data availability, reduce response time, and decrease labor for coding site data;
- o Test, refine, and release the Outdoor Sound Propagation Model for use in evaluating warning systems;
- o Develop specific multi-purpose models for use in hazardous materials management involving releases to air from both fixed and movable sources; and
- o Fully integrate the IEMIS data and model system with the training activities of the National Emergency Training Center's Emergency Management Institute.

f. Technical Assistance and Agreements

- o Review all REP documents and develop/revise guidance memoranda and interagency agreements/memoranda of understanding to bring them into conformance with Executive Order 12657. Initiate the establishment of mechanisms which allow for plan preparation, exercising, testing and use of such plans when State and local governments decline or fail to participate in the process.
- o Publish guidance documents (e.g., guidance memoranda) as needed to address specific issues, such as guidance on establishing emergency planning zones, the use of sheltering as a protective action, field monitoring, radiological planning, Regional implementation of the REP Program, and reentry and recovery after an accident;
- o Revise, as necessary, and publish in final form FEMA REP-12, Guidance on Offsite Emergency Radiation Measurement Systems, Phase II, Milk Pathway;
- o Publish revisions to 44 CFR 350 and 44 CFR 351;

- o Issue a final comprehensive REP Planning and Exercise Manual;
- o Continue the ongoing interim revision of NUREG-0654/FEMA-REP-1, Rev. 1, "Criteria for the Preparation and Evaluation of Radiological Emergency Response Plans and Preparedness in Support of Nuclear Power Plants"; and
- o Develop and issue policy statements as needed to address specific program issues and provide training.

g. Public Education

- o Publish final guidance on the Joint Information System (JIS) operation during a nuclear power plant accident;
- o Conduct technical assistance on JIS/Emergency Broadcast System activities, based on newly completed guidance;
- o Continue periodic reviews of public information materials based on FEMA REP-11, "A Guide to Preparing Emergency Public Information Materials";
- o Develop and issue guidance memoranda, policy statements and specific policy clarifications on public education related topics;
- o Deliver pilot of Basic Public Information Officers Course;
- o Conduct a national conference on JIS; and
- o Publish in cooperation with the U.S. Department of Agriculture, a brochure on ingestion pathway emergency measures for use at all commercial nuclear power plants entitled "Protecting Your Farm in the Event of A Radiological Accident".

6. 1991 Program. In 1991, FEMA requests a total of $9,560,000 and 95 workyears for this program, a net decrease of $189,000 from 1990. Included in the total are $4,800,000 for Salaries and Expenses and $4,760,000 for Emergency Management Planning and Assistance, an increase of $82,000 in Salaries and Expenses and a decrease of $271,000 in Emergency Management Planning and Assistance. Site-specific charges under the REP program will be billed to the responsible utility licensee under the final rule on user fees (44 CFR 353). The Administration is proposing legislation to allow charging utility licensees indirect costs associated with this program so that it will be possible to recover 100% of the REP program budget through fees collection, for direct deposit in the Treasury. The major tasks to be accomplished with these resources are as follows:

a. Findings and Determinations for Offsite Plans and Preparedness ($160,000) - Primarily through contracts, with some expenditures for printing, FEMA will accomplish the following activities;

- Issue 10 site-specific, formal 44 CFR 350 determinations of offsite radiological emergency plans and preparedness;
- Conduct 64 reviews of plans and related preparedness activities previously approved under 44 CFR 350;
- Review annual certifications of State and local governmental and, if appropriate, utility compliance with periodic requirements for all sites;
- Provide 10 interim findings on radiological emergency preparedness plans and exercises at NRC's request;
- Issue 2 alert and notification system findings to NRC;
- Complete 70 ongoing ANS operability and maintenance reviews; and
- Assist the NRC or agreement State governments if requested in reviewing offsite portions of emergency response plans of material license holder sites. In addition, FEMA will work with DOE and DoD on an ad hoc basis in the development and implementation of emergency planning and preparedness around DOE and DoD nuclear facilities; however, FEMA remains ready to provide technical assistance to DOE and DoD in these efforts, if requested.

b. Atomic Safety and Licensing Board (ASLB) Hearings ($110,000) - There are two ASLB hearings projected where FEMA involvement and support from contractor witnesses could be required.

c. Plan Reviews and Exercises ($2,558,000) - Through contracts and printing, FEMA plans to accomplish the following:

- Conduct 45 joint exercises (utility, State, and localities), emphasizing ingestion pathway;
- Conduct 13 remedial exercises to resolve deficiencies identified during the joint exercises;
- Assist State and local governments in evaluating 2 exercises to test offsite emergency response plans for DoD/DOE nuclear facilities;
- Participate in 2 DoD/DOE nuclear weapons accident exercises; and
- Develop and conduct a Federal post-emergency tabletop exercise.

d. Federal Response Plans ($100,000) - Through contracts and printing, FEMA plans to:

- o Complete revision and publication of the Federal Radiological Emergency Response Plan (FRERP) to bring it in line with Executive Order 12657, and implementing rule, 44 CFR 352, the National System for Emergency Coordination, and lessons learned from the Federal Field Exercise and the Chernobyl accident response;
- o Complete the post-emergency tabletop exercise evaluation and related documentation;
- o Develop planning documentation of the third Federal Field Exercise.
- o Conduct 2 sessions of the FRERP and Ingestion Pathway training workshops for Federal, State and local officials and industry personnel.

e. Integrated Emergency Management Information System (IEMIS) ($100,000) - Through contracts and printing, FEMA will do the following:

- o Continue to upgrade the IEMIS system to accommodate State and local users as network partners;
- o Develop specific software to perform analyses of radioactive releases to water from transportation vehicles and fixed facilities;
- o Deploy an operational version of IEMIS which incorporates full access to the FEMA geographic information system; and
- o Integrate graphic information data files for REP with an Agency geographic information system.

f. Public Education ($125,000) - Through contracts and printing, FEMA will accomplish the following:

- o Produce case studies in Joint Information Systems based on site visits completed;
- o Continue JIS technical assistance/site visits;
- o Conduct a national workshop and report on the JIS, in order to review the status of the program and areas still requiring attention;
- o Complete first round of required periodic reviews of public information materials at remaining sites not covered in 1990; and

- o Develop and produce, with Environmental Protection Agency assistance, relocation and reentry public information materials.

g. Technical Assistance ($200,000) - Through contracts and printing, FEMA will perform the following activities related to policy and program development:

- o Obtain support from the Conference of Radiation Control Program Directors (CRCPD), the Committee on Interagency Radiation Research (CIRRPC), the Commission on Catastrophic Nuclear Accidents, and related activities;
- o Revise documents which will reflect NRC source term reevaluation decisions and lessons learned from the Chernobyl accident;
- o Develop guidance on interpreting and applying new protective action guidelines for relocation and reentry procedures for State and local governments; and
- o Complete a lessons learned report on Chernobyl-type accidents and proceed to implement these "lessons" through the Federal Radiological Preparedness Coordinating Committee (FRPCC) interagency mechanism.

h. Executive Order 12657 (44 CFR 352) ($607,000) - Through contracts and printing, FEMA will perform the following activities to implement Executive Order 12657:

- o Continue and complete an in-depth review of all published REP documents in consideration of Executive Order 12657;
- o Continue to revise and issue guidance memoranda relevant to the implementation of the Order;
- o Negotiate interagency agreements/memoranda of understanding relevant to the implementation of the Order; and
- o If a certified request is received under the Order, prepare all necessary site-specific planning for an initial Federal response.

i. Radiological Instrumentation Maintenance and Calibration ($600,000) - Provide for annual maintenance and calibration of radiological instruments used in the commercial nuclear power plant offsite radiological emergency preparedness program through the State Radiological Defense instrument maintenance and calibration facilities.

__1991 Decrease__. The 1991 request includes a decrease of $271,000 in Emergency Management Planning and Assistance to adjust program resources within overall deficit reduction requirements.

7. __Outyear Implications__. By the close of 1991, FEMA anticipates that essentially all of the commercial nuclear power plant sites will have received formal reviews under 44 CFR 350.

For commercial nuclear power facilities, FEMA will focus on recertification of FEMA 44 CFR 350 approvals through intensive reviews of previously approved plans, with continuation of required biennial and remedial exercises. Increased emphasis will be placed on exercising in the ingestion pathway and on improving public education and information materials for the reactor sites as well as certifying the continued operability of siren systems. For material license holders, the principal activity will be a continuation of FEMA review of plans as requested by the NRC. FEMA remains ready to provide technical assistance to DOE and DoD in the development and implementation of emergency planning and preparedness around DOE and DoD nuclear facilities, if requested to do so.

The FRERP will be maintained and refined through an exercise cycle and through training activities which will include tabletop and full-participation exercises to test and correct areas needing correction or improvement and workshops. Agreements, regulations and guidance will be maintained to provide the necessary resources and procedures for FEMA to take action to respond to requests under Executive Order 12657, and to implement planning and response efforts under specific companion documents, including 44 CFR 352.

FEMA will continue to bill responsible utility licensees for the recovery of costs for site-specific services provided by FEMA under the REP program, in conformance with the rulemaking on user fees (44 CFR 353), and legislation, when enacted.

8. __Advisory and Assistance Services__. None.

B. Hazardous Materials

1. Authority. Executive Order 12148, July 20, 1979 and Public Law 99-499, Superfund Amendments and Reauthorization Act of 1986 (SARA).

2. Objectives/Element Description. The primary goal of the hazardous materials program (HAZMAT) is to provide leadership in hazardous materials emergency management through coordination of planning, preparedness, response, and mitigation at the Federal level and through support and technical assistance by the Regions to State and local governments to enhance their response capabilities. This is accomplished in coordination with other Agencies through the National Response Team/Regional Response Teams (NRT/RRT), State and local governments, and private organizations. FEMA's focus is to incorporate hazardous materials into the integrated emergency management system (IEMS) context; establish strong intergovernmental and private sector coordination; promote systematic comprehensive approach to training; implement recommendations of relevant committees, work groups, and special studies; and enhance guidance and assistance provided to State and local governments.

3. 1989 Accomplishments. In 1989, FEMA used a total of $882,000 and 15 workyears for this program, of which $683,000 was under Salaries and Expenses and $199,000 was under Emergency Management Planning and Assistance. Noteworthy accomplishments include: In coordination with DOT and EPA, developed and disseminated a Handbook of Chemical Hazard Analysis Procedures; continued contract support to the joint FEMA/DOT sponsorship of national teleconference on "Anatomy of Decision Making for HAZMAT Emergencies"; initiated revision of FEMA's 5-year work plan for Hazardous Materials program; developed a manual entitled, "FEMA Hazardous Material Exercise Evaluation Methodology and Manual," with which to assess the design and effectiveness of hazardous materials exercises; developed a guide on planning, design, installation, and operations of community warning systems for chemical emergencies; drafted a railroad yard preparedness guide; supported development of the annual report on the National Oil and Hazardous Substances Response System under the aegis of the NRT; supported development of the "Exxon Valdez Oil Spill - A Report to the President", prepared by the NRT; and in coordination with the Department of Transportation and the Environmental Protection Agency, published a glossary of terms for instructor use in the Hazardous Materials Contingency Planning course; coordinated development of standards and criteria guidance to provide direction to State and local officials concerned with off-site emergency preparedness programs; participated in HAZMAT plan reviews; sponsored and provided technical support in the conduct of HAZMAT exercises; conducted meetings with State and local officials on implementation of HAZMAT program; identified and supported the development of training modules and courses related to program implementation; provided agency support/representation to the NRT; and initiated development of HAZMAT resource libraries in Headquarters and in seven of the ten Regional offices.

4. Changes from the 1990 Estimates. Reflects a a net increase of $91,000 in Emergency Management Planning and Assistance for the following: a Congressional increase of $100,000; and a Congressional decrease of $9,000 for the sequester and general reductions.

5. 1990 Program. In 1990, FEMA is allocating a total of $1,357,000 and 22 workyears to this program, of which $1,066,000 is under Salaries and Expenses and $291,000 is under Emergency Management Planning and Assistance. With these resources, FEMA will undertake the following:

- Continue support to and expansion of the joint FEMA/DOT Hazardous Materials Information Exchange system.
- Carry out tasks identified in 1990 work plan in support of FEMA/DOT MOU.
- Continue a leadership role in the NRT/RRT program initiatives.
- Provide assistance in exercise design and evaluation to test the efficiency and adequacy of local emergency response plans.
- Finalize and distribute the FEMA 5-year work plan for the Hazardous Materials program.
- Establish resource libraries in the remaining three Regional offices and upgrade technical base of existing libraries in Headquarters and the Regions.
- Continue to provide planning and preparedness guidance and technical assistance to State and local governments in the implementation of SARA Title III.
- Provide technical assistance to State and local governments on emergency warning systems for chemical emergencies.
- Support development of seven additional training modules for implementation in HAZMAT training courses of FEMA's Emergency Management Institute.
- Print and distribute guidance on: railroad yard preparedness; exercise methodology; implementation and evaluation; and alert and notification.
- Provide for joint sponsorship of two national teleconferences on HAZMAT exercises and safety measures.
- Sponsor and participate in HAZMAT conferences and workshops as appropriate.

6. 1991 Program. In 1991, FEMA requests a total of $1,702,000 and 22 workyears for this program, an increase of $345,000 over 1990. Included in this total are $1,111,000 for Salaries and Expenses and $591,000 for Emergency Management Planning and Assistance. This will enable FEMA to undertake the following:

- Technical Assistance ($100,000) - Provide technical assistance to State and local governments in plan development and plan review.
- Exercise of State and Local Plans ($201,000) - Through grants and contracts support a comprehensive exercise program with which to assess emergency planning and response capabilities at the State and local level.
- Hazardous Materials Information Exchange (HMIX) ($190,000) - Through contracts and printing, continue funding the FEMA/DOT Hazardous Materials Information Exchange to support State and local governments.
- SARA Title III ($100,000) - Through contracts and printing, FEMA will continue to provide guidance and technical assistance to State and local governments.

1991 Increases/Decreases. The 1991 requests includes an increase of $300,000 in Emergency Management Planning and Assistance to provide modest enhancements to all program activities.

7. Outyear Implications. It is anticipated that funding at the 1991 request level will be needed at least for the next five years to assure that FEMA's responsibilities under SARA Title III are fully implemented.

8. Advisory and Assistance Services. None.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
FEDERAL PREPAREDNESS
ACTIVITY OVERVIEW

The Federal Preparedness activity encompasses a wide range of programs whose purpose is to achieve government readiness to ensure that the nation is prepared to respond to, manage, and recover from peacetime or wartime national security emergencies, and to enable Government at all levels to cope with the consequences of accidental, natural, and man-caused occurrences. The Federal Preparedness activity includes the following programs:

A. Government Preparedness: (Submitted in separate package).

B. Emergency Information & Coordination: This program provides national-level emergency managers with data, communications support, and facilities to direct the national response to a wide range of emergencies.

C. Mobilization Preparedness: This program is designed to assure that Federal departments and agencies have in place the necessary plans, systems, procedures, and resources to support national emergency mobilization, including civil-sector support to a military mobilization.

D. Federal Readiness and Coordination: This program provides guidance to the Federal departments and agencies to prepare for and effectively respond to national security emergencies. This program provides for: the development of interagency plans and decision tools; National Security Emergency Preparedness (NSEP) improvements such as new and revised plans and operational documents; test, exercise, and evaluation of mobilization plans, procedures, and systems to ensure adequate civil readiness; guidance, policy, and management for the government-wide National Defense Executive Reserve (NDER); and technical and communication support to NATO/Canada/Mexico.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
FEDERAL PREPAREDNESS
(Dollars in Thousands)

Estimates by Program Element	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
A. Government Preparedness............	EM-124	$123,539	$109,306	$107,582	$106,447	-1,135
B. Emergency Information and Coordination Center..............	EM-125	470	500	492	500	8
C. Mobilization Preparedness..........	EM-128	1,999	2,231	2,196	2,231	35
D. Federal Readiness and Coordination.	EM-135	1,074	1,199	1,180	1,199	19
Total, Federal Preparedness (Budget Authority)...............		127,082	113,236	111,450	110,377	-1,073

Changes From Original 1990 Estimates. Reflects a decrease of $1,786,000 to accommodate Congressional general reductions.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
FEDERAL PREPAREDNESS
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	$73	...	$24	$27	$3
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	19,073	$26,314	28,789	29,930	1,141
24.0 Printing and reproduction	36	...	20	20	0
25.0 Other services	90,019	64,894	70,019	67,500	(2,519)
26.0 Supplies and materials	2,535	10,016	3,322	3,500	178
31.0 Equipment	10,893	11,512	8,776	9,000	224
32.0 Land and structures	4,453	500	500	400	(100)
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	127,082	113,236	111,450	110,377	(1,073)

A. Government Preparedness

The Government Preparedness program is described in a separate submission.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
FEDERAL PREPAREDNESS
(Dollars in Thousands)

B. Emergency Information and Coordination Center	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Estimates by Program Element						
1. Emergency Information and Coordination Center	EM-125	$470	$500	$492	$500	$8
Total, Emergency Information and Coordination Center (Budget Authority)		470	500	492	500	8

Changes from Original 1990 Estimates. Reflects a decrease of $8,000 in response to Congressional general reductions.

B. Emergency Information and Coordination Center

1. Emergency Information and Coordination Center

a. Authority. The National Security Act of 1947, 50 U.S.C. App. 404; the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. App. 5121 et seq; and Executive Order 12148.

b. Objective/Element Description. The Emergency Information and Coordination Center (EICC) serves as the focal point to collect and disseminate all types of classified and unclassified information related to national emergencies.

The EICC provides emergency operating space, equipment, and information services to support emergency response teams, key FEMA staff and program officers from other Federal departments and agencies during emergency response activities. The facility is linked to the White House Situation Centers, National Warning Networks, Federal departments/agencies, FEMA Regions, and State Emergency Operating Centers (EOC's) through a variety of state-of-the-art information systems.

c. 1989 Accomplishments. In 1989, FEMA used a total of $648,000 and 6 workyears for this program, of which $470,000 was under Emergency Management Planning and Assistance and $178,000 was under Salaries and Expenses. Resources were used to initiate installation of a Local Area Network (LAN) to be used within the Task Force Areas by emergency management and disaster recovery teams. This LAN will also be used to train FEMA personnel when it is not being used for its primary mission. An engineering study was completed on the Audio-Visual systems and upgrade contract documentation was prepared.

d. Changes from the 1990 Estimates. Reflects a decrease of $8,000 in response to Congressional general reductions.

e. 1990 Program. In 1990, FEMA is allocating a total of $795,000 and 8 workyears to this program, of which $492,000 is under Emergency Management Planning and Assistance and $303,000 is under Salaries and Expenses. Funds will be used to continue to develop the LAN, upgrade the Audio-Visual systems and ADP capabilities.

f. 1991 Program. In 1991, FEMA requests a total of $865,000 and eight workyears for this program, an increase of $70,000. Included in this total are $500,000 for Emergency Management Planning and Assistance and $365,000 for Salaries and Expenses. Resources will be used to maintain the EICC facility and equipment in a condition of readiness, and to support emergency response activities whenever required.

1991 Increases/Decreases. Includes a base increase of $8,000 to adjust resources to allow funding for normal operations within overall deficit-reduction requirements.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. The 1991 request includes $15,000 for ADP training for FEMA personnel and technical assistance for the Local Area Network and Wide Area Network (LAN/WAN) operations associated with the installation and networking of all FEMA systems.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
FEDERAL PREPAREDNESS
(Dollars in Thousands)

C. Mobilization Preparedness	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Estimates by Program Element						
1. Mobilization Resources..........	EM-129	$672	$750	$738	$750	$12
2. Mobilization Systems............	EM-131	449	501	493	501	8
3. Mobilization Assessment.........	EM-133	878	980	965	980	15
Total, Mobilization Preparedness (Budget Authority)............		1,999	2,231	2,196	2,231	35

Changes from Original 1990 Estimates. Reflects a decrease of $35,000 in response to Congressional general reductions.

C. Mobilization Preparedness

The Mobilization Preparedness program coordinates the development of concepts, policies, plans and programs to ensure Federal preparedness to use the nation's resources (natural, industrial, and infrastructure) in national emergencies to implement E.O. 12656 and E.O. 10480. The program mission is to assess the nation's ability to respond to both major domestic and national security emergencies; develop alternative solutions to identified problems; coordinate alternatives for implementation during normal operations to prevent problems from occurring during emergencies; and coordinate planning and implementation of approved alternatives during emergencies.

The mobilization assessment activities provide situation assessment and engineering support capabilities for the decisionmaking process for national security emergencies of all types and at all levels of government. These activities provide for the engineering, design, development, integration, maintenance, and application of computerized situation assessment and other program support systems to provide intelligent options to decisionmakers and facilitate mission accomplishment. Situation assessment provides knowledge of the situation status, available resources, resource requirements, and intelligent and timely options for decisionmaking for effective and efficient emergency management. The integrated engineering support for mobilization systems will integrate and perpetuate unified, efficient, and effective program information support systems, while minimizing replications of effort and scarce resources.

1. Mobilization Resources

a. Authority. Section 103, National Security act of 1947, as amended, 50 U.S.C. 404; and Defense Production Act of 1950, as amended, 50 U.S.C. App. 2061 et seq; and Executive Orders 10480 and 12656.

b. Objective/Element Description. Mobilization Resources coordinates and develops national mobilization policy, provides specific planning requirements and guidance to the Federal departments and agencies, and provides for qualitative and quantitative analysis that supports policy and planning. This element identifies shortfalls in mobilization capability compared to the mobilization requirements to show where special attention by Federal departments and agencies must be placed. Mobilization policy issues include U.S. dependence on foreign markets; the effects of laws and trade policy on industry's ability to mobilize resources; and coordination of policy options and programs to improve U.S. industrial mobilization capability.

c. 1989 Accomplishments. FEMA used a total of $1,407,000 and 13 workyears for this program element of which $735,000 was under Salaries and Expenses and $672,000 was under Emergency Management Planning and Assistance. Under this program element, FEMA accomplished the following:

- Assisted in developing FEMA-sponsored, Department of Defense (DOD) and North Atlantic Treaty Organization (NATO) mobilization exercises; games and tests involving the industrial base to coordinate with NATO civil emergency planning; and bilateral planning with Canada;

- Continued programs on priorities and allocations and standby and voluntary agreements under the Defense Production Act to eliminate industrial and resources bottlenecks identified in the surge capability to deploy and sustain forces;

- Examined and updated concepts to implement Defense Production Act Titles I, II, and VII with emphasis on graduated mobilization response system; and

- Revised the National Plan to build a graduated mobilization response capability (GMR)

d. Changes from the 1990 Estimates. Reflects a decrease of $12,000 in response to Congressional general reductions.

e. 1990 Program. FEMA is allocating a total of $1,521,000 and 14 workyears to this program element, of which $783,000 is for Salaries and Expenses and $738,000 is for Emergency Management Planning and Assistance. These resources are being used to do the following:

- Support an interagency effort to develop and expand the National Disaster Medical System (NDMS) to respond to large-scale emergencies and provide care for the resulting casualties;

- Develop resource mobilization planning guidance and systems based on policy changes to E.O. 10480, which implements defense production programs;

- Develop and institutionalize the Graduated Mobilization Response System which will result in standby industrial mobilization policy and program options to mobilize the Federal civil government and civilian economy;

- Coordinate with NATO civil emergency planning and bilateral planning with Canada in the industrial resource area; and

- Stimulate the use of advanced manufacturing capabilities and support the manufacturing studies board.

f. 1991 Program. FEMA requests a total of $1,555,000 and 14 workyears for this program element, an increase of $34,000 over 1990. Included in this total are $805,000 for Salaries and Expenses and $750,000 for Emergency Management Planning and Assistance. These resources will be used to do the following:

- Develop interagency emergency resource claimancy, allocation, and adjudication systems and procedures ($300,000);

- o Develop systems to use Defense Production Act authorities for emergency resources management ($200,000);
- o Develop prototype assets protection plan ($100,000); and
- o Develop regional graduated resources mobilization response capabilities ($150,000);

1991 Increases/Decreases. A base increase of $12,000 adjusts resources to accommodate program priorities within overall deficit-reduction requirements.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

2. Mobilization Systems

a. Authority. Section 103, National Security Act of 1947, as amended, 50 U.S.C. 404; and Defense Production Act of 1950, as amended, 50 U.S.C. App. 2061 et seq.

b. Objective/Element Description. The Mobilization Systems element ensures that Federal departments' and agencies' plans are oriented toward upgrading the nation's mobilization preparedness posture. It interacts with departments and agencies as they develop their mobilization planning process, and develops a capability to monitor the progress of the departments and agencies as they upgrade their capabilities to execute plans, identify shortfalls, and develop remedial action programs. This element will contribute to a periodic report to the President on Federal, State and local capabilities to respond to a national security emergency.

Over the past several years various FEMA program areas have developed emergency preparedness and response programs to cover natural and man-made disasters. Each program involves numerous Federal departments and agencies and multiple levels of government, and consists of the following components: facilities and resources, telecommunications, ADP hardware, databases and applications software. While different personnel respond to the various emergency situations, there is a great deal of commonality in the assets that support them. The various information support systems and facilities are at different points in their life cycle; some have completed development and are now operational, while most will continue to evolve as new requirements are identified and technology advances. These systems are usually replicative of techniques, efforts and resources across different types of emergencies. A major task at hand is to integrate and consolidate these capabilities into a comprehensive and efficient support system. This situation requires the establishment of a technical guidance and assistance function which would initiate a continuing Integrated Engineering Support Program which would bring and keep these program elements together.

c. 1989 Accomplishments. In 1989, FEMA used a total of $1,167,000 and 11 workyears for this program element, of which $718,000 was for Salaries and Expenses and $449,000 was for Emergency Management Planning and Assistance. Under this program element, FEMA accomplished the following:

- Developed and participated in FEMA-sponsored, Department of Defense and NATO tests, games, and exercises;
- Coordinated with NATO civil emergency planning, with special emphasis on bilateral planning efforts with Canada in the transportation and energy areas;
- Provided conference and seminar support to enhance cooperation with infrastructure industries in the graduated mobilization response framework; and
- Developed usable estimates of emergency operating capacity in nonmanufacturing sectors:
  - defined emergency operating capability concepts for nonmanufacturing sectors;
  - estimated emergency operating capacity where data supports in-depth study of specific industries;
  - estimated and tested the reasonableness of capacity concepts for remaining industries.

d. Changes from the 1990 Estimates. Reflects a decrease of $8,000 in response to Congressional general reductions.

e. 1990 Program. FEMA is allocating a total of $1,263,000 and 12 workyears to this program element, of which $770,000 is for Salaries and Expenses and $493,000 is for Emergency Management Planning and Assistance. During 1990, FEMA will use these funds to do the following:

- Develop standards for the protection of key facilities through the National Institute of Standards and Technology;
- Assist Federal civil departments and agencies to identify their resources mobilization preparedness responsibilities assigned in E.O. 12656; identify and reduce or eliminate shortfalls between existing capabilities and their assigned responsibilities; and develop and implement associated remedial action programs;
- Stimulate the development of infrastructure mobilization planning under Executive Order 12656 and support FEMA and DoD sponsored tests, global war games and exercises of infrastructure resources mobilization capabilities;
- Continue development of usable estimates of emergency operating capacity in nonmanufacturing sectors

so that databases on manufacturing and nonmanufacturing capacities are of approximately equal quality.

f. 1991 Program. In 1991, FEMA requests a total of $1,195,000 and 12 workyears for this program element, a net decrease of $68,000 from 1990. Included in this total are $694,000 for Salaries and Expenses and $501,000 for Emergency Management Planning and Assistance. These resources will be used for the following:

- Assist Federal civil departments and agencies to identify their resources mobilization preparedness responsibilities assigned in Executive Order 12656; identify and reduce or eliminate shortfalls between existing capabilities and their assigned responsibilities; and develop and implement associated remedial action programs ($225,000);
- Support interagency efforts to develop and expand the National Disaster Medical System (NDMS) to respond to large-scale emergencies and provide care for the resulting casualties ($43,000);
- Support the Global War Games ($75,000); and
- Support the National Academy of Sciences in the identification of advanced manufacturing technologies in the civilian sector that can contribute to emergency defense production ($158,000).

1991 Increases/Decreases. A base increase of $8,000 restores resources to the 1990 request level.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

3. Mobilization Assessment

a. Authority. Section 103, National Security Act of 1947, as amended, 50 U.S.C. 404; Defense Production Act of 1950, as amended, 50 U.S.C. 2061 et seq.; and Executive Order 12656, November 1988.

b. Objective/Element Description. This element provides for the engineering, development, maintenance and application of situation capabilities to support the decisionmaking process for national security emergencies of all types and at all levels of government. Situation assessment provides situation status; locations and quantities of available resources; and decision support for emergency management. Key components of this element are the engineering, development, maintenance, and application of comprehensive and computerized hazard, industry, infrastructure, demographic, geographic and economic information, assessment, telecommunications and reporting capabilities, integrated into an overall emergency situation assessment structure. The situation assessment structure will make use of existing capabilities in various stages of development, and maintenance capabilities that are integrated into an overall emergency situation assessment structure.

c. 1989 Accomplishments. In 1989, FEMA used a total of $1,488,000 and 13 workyears for this program element, of which $610,000 was under Salaries and Expenses and $878,000 was under Emergency Management Planning and Assistance. During 1989, this program element: provided fragmented engineering, development, maintenance and applications of some hazard, industry, infrastructure, economic and geographic information and assessment systems. As requested, provided analytical and systems support to the U.S. Departments of Agriculture, Commerce, Defense, Energy, and Transportation, the Congressional Budget Office, the Environmental Protection Agency, and the National Aeronautics and Space Administration. Provided support for the planning and execution of nine (9) exercises; coordinated interagency geographic, industry, infrastructure and economic information and assessment efforts to compensate for serious voids in available systems; and developed prototype engineering design concept for a comprehensive situation assessment structure.

d. Changes from 1990 Estimates. Reflects a decrease of $15,000 in response to Congressional general reductions.

e. 1990 Program. In 1990, FEMA is allocating a total of $1,617,000 and 13 workyears to this program element, of which $652,000 is under Salaries and Expenses and $965,000 is under Emergency Management Planning and Assistance. Planned accomplishments for 1990 include:

- Develop computer systems, related software, and national database management components of the geographic and infrastructure emergency information systems.
- Coordination of updating industrial database with other Federal departments and agencies.
- Develop emergency infrastructure data reconciliation, loading, checking, and documentation procedures.
- Separate military and civilian production requirements patterns in critical mobilization industries.

f. 1991 Program. In 1991, FEMA requests a total of $1,720,000 and 13 workyears for this program element, an increase of $103,000 over 1990. Included in this total are $740,000 for Salaries and Expenses and $980,000 for Emergency Management Planning and Assistance. This request reflects the resources required to start resolving shortcomings and correcting deficiencies to achieve an effective situation assessment capability in national security emergencies. Selected existing systems would be brought to a fully engineered, maintained and applied status, and limited steps could be taken toward filling significant voids in the National Infrastructure Information System, Industry Product Capabilities Model, Geographic Information Systems, spatial databases for emergency preparedness, and computer hardware and software. Development will be initiated toward a comprehensive situation assessment structure which will integrate existing systems, expand coverage, establish monitoring and conduct exercises. Special activities and interagency requests will continue at a slightly higher level than in prior years because of increased assessment capabilities ($851,000).

The 1991 program also includes $129,000 for identification of civilian firms with industrial process capabilities that are useful in the production of defense components and items.

1991 Increases/Decreases. A base increase of $15,000 restores resources to the 1990 request level.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
FEDERAL PREPAREDNESS
(Dollars in Thousands)

D. Federal Readiness and Coordination	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Estimates by Program Element						
1. Nat'l Security Emerg. Prep.......	EM-136	...	...	...	...	...
2. Plans and Authorities............	EM-137	$448	$500	$492	$500	$8
3. Exercises........................	EM-138	626	699	688	699	11
4. Nat'l Defense Exec. Reserve......	EM-140	...	...	...	...	...
Total, Federal Readiness and Coordination (Budget Authority)		1,074	1,199	1,180	1,199	19

Changes from Original 1990 Estimates. Reflects a decrease of $19,000 in response to Congressional general reductions.

D. Federal Readiness and Coordination (FRC)

FEMA's Federal Readiness and Coordination Program provides guidance to Federal departments and agencies to prepare for and effectively respond to national security and major domestic emergencies. The program's goal is to effectively manage Federal mitigation, response and recovery activities of national security emergencies and major domestic emergencies. Management planning and preparedness activities encompass the military, industrial, economic, human, governmental, and civilian resources and infrastructure of the Nation. Program activities are as follows:

- Staff the legislative and Executive Order authorities pertaining to emergency management;
- Develop strategies to ensure acceptable capabilities within resource limitations;
- Develop and revise the tasking and guidance to incorporate current national preparedness policy;
- Develop processes to improve emergency coordination;
- Develop interagency plans and decision tools to improve the Federal government's readiness to discharge its emergency responsibilities;
- Test, exercise and validate policies and plans;
- Report to the President on the state of civil readiness; and
- Recruit experienced executive reservists to augment executive branch staff in emergencies.

1. National Security Emergency Preparedness (NSEP)

a. Authority. Section 103, National Security Act of 1947, as amended, 50 U.S.C. 404; the Federal Civil Defense Act of 1950, as amended, 50 U.S.C. 2251 *et seq*; the Defense Production Act of 1950, as amended, 50 U.S.C. 2061 *et seq*; and Executive Order 12656.

b. Objective/Element Description. This element supports Presidential policy decisions to improve and update the National Security Emergency Preparedness (NSEP) capability of the Federal government. The NSEP program element will develop, implement, and maintain new plans and operational documents. This program element uses no resources from the Emergency Management Planning and Assistance (EMPA) appropriation.

2. **Plans and Authorities**

a. **Authority.** Section 103, National Security Act of 1947, as amended, 50 U.S.C. 404; and the Federal Civil Defense Act of 1950, as amended, 50 U.S.C. 2251 *et seq*; the Defense Production Act of 1950, as amended, 50 U.S.C. 2061 *et seq*; and Executive Order 12656.

b. **Objective/Element Description.** This program element is the primary vehicle for recommending policy and developing policy guidance. It has the objective of developing and progressively adjusting an integrated overall emergency mobilization preparedness framework which is applicable to all civilian Federal mobilization-oriented programs, in order to assess their effectiveness and to formulate periodic planning guidance. This program element develops and maintains a comprehensive system of major emergency actions across the Federal government to assist decisionmaking and implementation of procedures and authorities; develops national guidance and plans; establishes interagency channels of communication; incorporates essential information requirements into decision support systems; and coordinates current operational systems and procedures.

c. **1989 Accomplishments.** In 1989, FEMA used a total of $1,218,000 and 13 workyears for this element, of which $770,000 was under Salaries and Expenses and $448,000 was under Emergency Management Planning and Assistance. These funds were used to coordinate the interagency review of Executive Order 12656, signed by the President on November 18, 1988; revise the Presidential Emergency Action Documents, approved by the Department of Justice on April 13, 1989; update and develop new Major Emergency Action Papers; provide support to the Director in his role as an advisor to the National Security Council (NSC); and to provide support for the 26 Federal department and agency programs such as continuity of government and the continuance of infrastructure functions essential to national security.

d. **Changes from the 1990 Estimates.** Reflects a decrease of $8,000 in response to Congressional general reductions.

e. **1990 Program.** In 1990, FEMA is allocating $1,347,000 and 14 workyears to this program element, of which $855,000 is for Salaries and Expenses and $492,000 is for Emergency Management Planning and Assistance. This element will continue to provide guidance for Federal departments and agencies to prepare for and effectively respond to the full spectrum of national security emergencies through the development of interagency plans and decision-making tools. This element will also provide support for continuity of government and the continuance of infrastructure functions essential to national security.

f. **1991 Program.** In 1991, FEMA requests a total of $1,284,000 and 14 workyears, a net decrease of $63,000 from 1990. Included in this total are $784,000 for Salaries and Expenses and $500,000 for Emergency Management Planning and Assistance. With these funds, FEMA will do the following:

- Develop, maintain and promulgate Executive Order 12656 responsibilities, decision tools and national security plans ($300,000).

- Develop and evaluate plans and policies for Federal departments and agencies in execution of FEMA's responsibilities ($200,000).

1991 Increases/Decreases. A base increase of $8,000 restores resources to the 1990 request level.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. The 1991 request for Plans and Authorities includes $500,000 for the following advisory and assistance services: Policy development and evaluation of national security emergency preparedness plans of Federal departments and agencies; support in developing decision tools; and the development of requirements to support implementation and evaluation of the National Security Emergency (NSE) plan.

3. Exercises

a. Authority. Section 103, the National Security Act of 1947, as amended, 50 U.S.C. 404; and Sections 104(e) and 1701(9), Executive Order 12656.

b. Objective/Element Description. This program element is a primary part of the outreach phase of the Federal Readiness and Coordination program, as described above. Under this program element, plans and procedures are developed and coordinated to conduct national security and domestic emergency exercises, which are designed to improve capabilities, assess preparedness, provide education and training, enhance the definition of missions and roles, validate policies, and initiate deficiency corrections. A civil agency exercise program is developed through which Federal departments and agencies and Regional, State, and local governments can test, exercise and evaluate plans, procedures and systems to ensure adequate civil readiness. These exercises and evaluation activities prepare the civil government to respond to emergencies and operate in crisis situations. This operational capability provides a bridge between national security responsibilities and the operational readiness of State and local governments to perform under all emergency requirements. Annual exercises are conducted in conjunction with, and in direct support of, DoD worldwide mobilization and deployment exercises. A series of exercises is contemplated which will test the emergency plans and programs of the executive departments and agencies pursuant to the guidance provided under the Plans and Authorities program element. Under this program element, interagency preparedness issues are identified and assessed; priorities are established and coordinated; and interagency work plans are developed and their execution is managed.

c. 1989 Accomplishments. In 1989, FEMA used a total of $1,123,000 and seven workyears for this program element, of which $497,000 was for Salaries and Expenses and $626,000 was for Emergency Management Planning and Assistance. The following activities were conducted:

- Initiated or continued planning for the following exercises: REX-90 ALPHA; HILEX-14; REX-90 BRAVO; WINTEX-CIMEX-91 AND TRANSBORD IV, including improving Regional office participation and capabilities;
- Conducted and evaluated WINTEX-CIMEX-89 and TRANSBORD III;
- Continued management of a remedial action program and assigned Remedial Actions from REX-88 ALPHA and REX-88 BRAVO/CCE; and
- Planned, developed, integrated, and maintained a 5-year schedule of civil sector exercises covering the full spectrum of emergency responses.

d. Changes from the 1990 Estimates. Reflects a decrease of $11,000 in response to Congressional general reductions.

e. 1990 Program. In 1990, FEMA is allocating a total of $1,286,000 and 8 workyears to this program element of which $598,000 is for Salaries and Expenses and $688,000 is for Emergency Management Planning and Assistance. Resources will be used as follows:

- Plan, conduct and evaluate a national interagency civil/military mobilization exercise (REX-90 ALPHA);
- Plan, conduct and evaluate a national/regional interagency civil/military nuclear attack exercise (REX-90 BRAVO);
- Plan, conduct and evaluate an international high-level NATO exercise (HILEX-14);
- Continue planning for international civil/military crisis management exercise (WINTEX-CIMEX 91);
- Initiate planning for three major exercises (REX-92 ALPHA, REX-92 BRAVO, and TRANSBORD IV);
- Continue development, oversight, and maintenance of a remedial action program covering unresolved issues from previously conducted exercises;
- Continue to plan, develop, integrate, and maintain a 5-year schedule of civil sector exercises covering the full spectrum of emergency responses, and

- o Continue planning with the Regional offices for their participation in exercises and capability building for operational readiness.

f. 1991 Program. In 1991, FEMA requests a total of $1,150,000 and 8 workyears, a net decrease of $136,000 from 1990. Included in this total are $699,00 for Emergency Management Planning and Assistance and $451,000 and 8 workyears for Salaries and Expenses. Resources will be used to do the following:

- o Complete planning for, conduct and evaluate an international civil/military crisis management exercise (WINTEX/CIMEX 91) ($204,000);
- o Continue development, oversight, and maintenance of a remedial action program covering unresolved issues from previously conducted exercises, improve automation of the program, and assign remedial actions from Exercises REX-90 ALPHA and REX-90 BRAVO ($125,000);
- o Continue planning for three major exercises (REX-92 ALPHA, REX-92 BRAVO and TRANSBORD IV) ($310,000); and
- o Initiate planning for an international civil/military crisis management exercise (WINTEX-CIMEX 93) ($60,000);

1991 Increases/Decreases. A base increase of $11,000 restores resources to the 1990 request level.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

4. National Defense Executive Reserve (NDER)

a. Authority. Defense Production Act of 1950, as amended, 50 U.S.C. 2061.

b. Objective/Element Description. Under the National Defense Executive Reserve (NDER) program element, FEMA currently recruits and trains key executives from private industry, professional organizations, labor and academia who possess expertise in one of the skills that would be required to assist and supplement the Federal workforce during periods of major mobilization and national emergency. The Executive Reservists are trained to respond on short notice to those national emergencies declared by the President. The program element utilizes no resources from the Emergency Management Planning and Assistance appropriation.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
TRAINING AND FIRE PROGRAMS
Activity Overview

This activity prepares Federal, State and local officials, their supporting staffs, emergency first responders, volunteer groups, and the public to meet the responsibilities and challenges of domestic emergencies through planning, mitigation, preparedness, response, and long-term recovery. Fire prevention and control activities are developed and delivered through the United States Fire Administration (USFA), through programs designed to build capacity at the State and local level; to enhance the nation's fire prevention and arson control activities and, thereby, significantly reduce the nation's loss of life from fire; and to achieve a reduction in property loss and non-fatal injuries to firefighters and citizens due to fires. Educational programs are provided through the Emergency Management Institute (EMI) and the National Fire Academy (NFA), whose activities are divided into the following areas:

- Instructional Programs and Materials. Development, evaluation, and reproduction of course materials used in both resident and field training programs to enhance the capability of State and local governments to protect their citizens from the impact of a range of emergencies.
- Training Field Deployment Systems. Delivery of training throughout the United States.
- Resident Programs. Delivery of training at the Emmitsburg, Maryland, residential campus.

The U.S. Fire Administration provides a Federal focus on identifying problems with which the nation's fire and rescue services must deal, finding solutions to these problems, and supporting State and local fire protection and emergency rescue efforts. This is accomplished through:

(1) Creation of a national system for the collection, analysis, dissemination, and use of data to assist local fire and rescue services in establishing their own research and action priorities;

(2) Coordination with national, State, and local government elements which support and reinforce fire prevention, fire control, and emergency response activities;

(3) Development of improved firefighting practices and equipment to reduce firefighter death and injury;

(4) Development and dissemination of information to the manufacturing and construction industries, related standards organizations, and government agencies to improve consumer products, construction practices, and related activities.

The three NETC Site Administration program elements under Training and Fire Programs include a portion of the necessary resources to operate and maintain the National Emergency Training Center Campus in Emmitsburg, Maryland; provide educational program support to the Emergency Management Institute and the National Fire Academy in the form of admissions and registration, student services, procurement, budget and fiscal support, media service, and the learning resource center, along with resources responsible for overall training management, curriculum coordination and long-term evaluation, and coordination of accreditation.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
TRAINING AND FIRE PROGRAMS
(Dollars in Thousands)

	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Estimates by Program Element						
A. Emergency Management Institute..............	EM-145	$3,103	$2,599	$6,981	$3,274	$-3,707
B. National Fire Academy....	EM-157	6,855	3,406	7,192	7,230	38
C. U.S. Fire Administration.	EM-167	4,619	2,150	4,716	5,786	1,070
D. NETC Site Administration.	EM-181	...	4,900	...	...	...
Total, Training and Fire Programs (Budget Authority).....		14,577	13,055	18,889	16,290	-2,599

Changes from Original 1990 Estimates. The 1990 current estimate reflects a net increase of $5,834,000 for the following: Congressional increases of $301,000 in EMI for student stipends, $794,000 in NFA for student stipends, $110,000 in EMI for hazardous materials first responder training, $140,000 in NFA for hazardous materials first responder training, $3,840,000 for SARA Title III training grants, and $2,500,000 in USFA for fire prevention and arson control; a Congressional decrease of $1,750,000 from the return of Civil Defense resources to that activity; a reduction of $531,000 in response to Congressional general reductions and sequester; and reprogramming increases totaling $430,000, of which $300,000 is for fire safety improvements at NETC.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
TRAINING AND FIRE PROGRAMS
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	$31	$18	$34	$43	$9
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	407	610	522	432	(90)
24.0 Printing and reproduction	964	885	1,062	1,024	(38)
25.0 Other services	8,024	8,506	9,514	9,543	29
26.0 Supplies and materials	308	146	187	228	41
31.0 Equipment	515	307	283	312	29
32.0 Land and structures	151	500	399	323	(76)
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	4,177	2,083	6,888	4,385	(2,503)
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	14,577	13,055	18,889	16,290	(2,599)

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
TRAINING AND FIRE PROGRAMS
(Dollars in Thousands)

A. Emergency Management Institute

	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Estimates by Program Element						
1. Instructional Programs & Materials..............	EM-146	$1,058	$1,165	$1,211	$1,188	-23
2. Training Field Deployment Systems................	EM-150	639	694	4,390	820	-3,570
3. Resident Programs........	EM-152	1,094	740	1,186	1,062	-124
4. NETC Site Administration.	EM-155	312	...	194	204	10
Total, Emergency Management Institute (Budget Authority).....		3,103	2,599	6,981	3,274	-3,707

Changes from Original 1990 Estimates. The 1990 current estimate reflects a net increase of $4,382,000 from the following: increases of $301,000 in Resident Programs for student travel stipends, $110,000 in Instructional Programs and Materials for hazardous materials first responder training, $3,840,000 in Training Field Deployment Systems for SARA Title III training; a return of $200,000 in NETC Site Administration; and a decrease of $199,000 in response to Congressional general reductions and sequester. Changes also include a reprogramming of $130,000 into Resident Programs from Civil Defense Training and Education Resident Programs as justified in the 1990 operating plan.

A. EMERGENCY MANAGEMENT INSTITUTE

The non-civil defense component of the Emergency Management Institute (EMI) prepares those Federal, State, and local officials who are responsible for managing major emergencies to meet emergency management responsibilities in varied areas such as natural hazards, off-site nuclear power plant safety, hazardous materials incidents and declared disaster operations. The program addresses the four major components of comprehensive emergency management-- disaster planning and preparedness, mitigation, response, and recovery.

Training materials and activities developed and revised by the EMI are taught in residence or deployed through the national field deployment system. This system provides funds and materials to States, territories, and trusts through the FEMA Regional Offices. As part of the training activities offered in residence, EMI conducts an extensive train-the-trainer program to develop a national cadre of qualified State trainers.

These activities and materials are designed to provide assistance in four areas: (1) comprehensive emergency management training that has broad application to a variety of disasters and hazards; (2) hazard or disaster specific training that focuses on one type of hazard or disaster such as earthquakes; (3) training assistance to specific communities that provides activities to enhance local community emergency preparedness; and (4) planning, evaluation, and computer support designed for long-range evaluation, curriculum planning, new educational technologies such as computer-assisted instruction, and national videoconferences.

1. Instructional Programs and Materials

a. Authority. The Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq.; National Security Act of 1947, 50 U.S.C. 404; Defense Production Act of 1950, 50 U.S.C. App. 2061 et seq.; Federal Civil Defense Act of 1950, as amended, 50 U.S.C. 2251 et seq; National Flood Insurance Act of 1968, as amended; Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4001 et seq.; and Earthquake Hazards Reduction Act of 1977, as amended, 44 U.S.C. 7701 et seq.

b. Objective/Element Description. The objective of this program element is to develop courses and educational materials that support the training needs of emergency management preparedness in communities throughout the nation as defined by the FEMA program mission and the Five Year Curriculum Management Plan. Courses are developed which support planning, response and recovery from hazards such as earthquakes, floods, hazardous materials and national security emergencies. The process of developing a course from an initial training requirement to finished course delivery takes approximately two years, and includes the development and pilot testing of instructor and student materials, audio-visual and graphic aids, and other resource materials, and, in some instances, the training of field instructors. Often, courses involve other agency input and coordination. Once developed, courses must be evaluated and revised periodically to reflect new information and policies. This element also supports program development, program evaluation and documentation, and program management. These activities are aimed at determining the optimum training program to meet specified program objectives, and assessing the quality and effectiveness of current training activities, which will allow more cost effective training delivery.

c. 1989 Accomplishments. In 1989, FEMA used $1,058,000 and no workyears for this program element under Emergency Management Planning and Assistance. EMI followed the integrated emergency management systems approach in developing new training materials, activities, technologies, and methodologies that provide optimum application to the entire spectrum of disasters and hazards faced by communities throughout the nation. Some activities begun in 1988 were completed, pilot tested, evaluated, and packaged for deployment.

- Comprehensive emergency management training. Funding provided contractual services for development and revision of training activities in curriculum areas including professional and executive development; computer technologies; community preparedness; exercises; natural hazards; and train-the-trainer. In addition, continued support was provided for American Public Works Association (APWA) initiatives, the initiation of development of 3 modules of computer applications, and audio visual and printing support.

- Hazard or disaster specific training. Funding provided contractual services for development and revision of training activities in curriculum areas such as radiological emergency preparedness, hazardous materials, government preparedness, and natural hazards. Funding supported the following activities: a video course jointly sponsored by EMI and Department of Transportation (DOT) entitled "First Response to Transportation Emergencies Involving Hazardous Materials"; Department of Energy (DOE) Interagency Agreement in support of Radiological Emergency Preparedness (REP) training; revision of Mid-Level Management of Disaster Assistance Programs (DAP) training materials; development of Natural Hazards Mitigation and Recovery course materials; revision of Non-Structural Earthquake Hazard Mitigation for Schools; revision of Interagency Hazard Mitigation Team Training; revision and development of computer program in support of National Earthquake Hazards Reduction Program (NEHRP) training materials; revision of Individual Assistance Workshop materials; revision of State Public Assistance Program Managers Workshop materials; and initiation of joint efforts with the Federal Insurance Administration (FIA) for the development of a Comprehensive National Flood Insurance Program (NFIP) course and a videotape presentation on retrofitting existing flood prone structures, as well as audio visual and printing support.

- Training assistance to specific communities. Funding provided contractual services to develop or revise training activities in the community preparedness and exercise programs curricula, which included the initiation of a development project to provide computerized support for the Integrated Emergency Management Course, and audio visual and printing support.

- Planning, evaluation, and computer support. Funding provided for contractual services for development of process and procedures for long-term evaluation of EMI hazard or disaster specific training courses; development of initial procedures for determining training requirement for hazard or disaster specific training at EMI; American Council on Education (ACE) course accreditation of four courses; Emergency Education Network (EENET) national videoconferences; and refinement of computer-based faculty assistance packages for course development.

d. Changes From the 1990 Estimates. The 1990 current estimates reflect a net increase of $46,000, which includes the following: a reprogramming increase of $81,000 as justified in the 1990 operating plans; and a Congressional decrease of $35,000 for general reductions and sequester.

e. 1990 Program. FEMA is allocating $1,211,000 and no workyears to this program element under Emergency Management Planning and Assistance. These resources provide for the following:

- Comprehensive emergency management training. Development and revision of training activities to include continued support for initiatives to enhance effective multi-agency (public works, police, emergency medical) planning and response capabilities, revision of the Multi-Hazard Planning course materials, editorial support, equipment, and audio visual and printing requirements.

- Hazard or disaster specific training. Activities will include development and/or revision of courses and training activities in radiological emergency preparedness, hazardous materials awareness and planning, earthquake preparedness, and mitigation planning. Funds support development and/or revision efforts for the following activities: computer-assisted instruction material and videoconferences related to hazardous materials and/or radiological emergency preparedness; DOE Interagency Agreement in support of Radiological Emergency Preparedness (REP) training through Argonne National Laboratory; Federal Radiological Emergency Response Preparedness (FRERP) Workshops; Earthquake Hazard Mitigation for Hospital and Other Health Care Facilities; National Earthquake Hazard Reduction Program (NEHRP) Course Materials; Earthquake and Fire Hazards in high rise buildings; Earthquake Hazard Mitigation for Schools; and audio visual and printing requirements.

- Hazardous Materials First Responder Training. Activities will consist of the following:

  1. Two Incident Command System (ICS) modules will be developed for public works and police; and

  2. First Responder Transportation Accident Teleconferences will be condensed to modular format to support a half-day training session at the State and local level.

- Training assistance to specific communities. Activities will include development and revision of IEMC Specific course materials for both on-site and off-site delivery to specific communities, and audio visual and printing requirements.

- Planning, evaluation, and computer support. Activities will include development of computer-assisted instructional materials, development of computer applications modules, development of computer simulation capabilities in support of natural and technological hazards curriculum, audio visual and printing requirements, and long range evaluation of the natural and technological hazards curriculum. In addition, resources will provide for documenting program office training requirements and conducting long-term evaluation of EMI hazard and disaster specific training courses and to provide basic support for videoconferencing.

f. 1991 Program. FEMA requests $1,188,000 and no workyears for this program element under Emergency Management Planning and Assistance, a decrease of $23,000 over 1990. These resources will provide for the following:

- o Comprehensive emergency management training. Approximately $223,000 will be used to provide contractual services for development and revision of training activities to enhance effective multi-agency (public works, police, emergency medical) planning and response capabilities, development of instructional materials to support the Joint Information System/Joint Information Center (JIS/JIC) Conference, development of Incident Command System (ICS) training materials for emergency management professionals, revision of Disaster Preparedness Seminar training materials, and development of new courses in the information technology series, as well as editorial support, audio visual and printing requirements.

- o Hazard or disaster specific training. Approximately $464,000 will be used to provide contractual services for development and/or revision of courses and training activities to support the following activities: revision of 3 Disaster Assistance Programs (DAP) field courses; revision of State and Local Hazard Mitigation; development of State and Local Hazard Mitigation Train-the-Trainer, natural hazards teleconference; DOE Interagency Agreement in support of Radiological Emergency Preparedness (REP) training through Argonne and Idaho National Laboratories; development of Workshop: Emergency Management (WEM) entitled "Advanced REP Issues" for field deployment; and development of WEM entitled "Evacuation vs. In-Place Sheltering" for field deployment, as well as editorial support, audio visual and printing requirements.

- o Training assistance to specific communities. Approximately $100,000 will be used to provide contractual services for development and revision of the IEMC Specific course materials for both on-site and off-site delivery to specific communities, as well as editorial support, audio visual and printing requirements.

- o Planning, evaluation, and computer support. Approximately $65,000 will be used to provide contractual services for Phase II in the development of computer support for the Integrated Emergency Management Course, and audio visual and printing requirements. In addition, $229,000 will be used for documenting program office training requirements and conducting long-term evaluation of EMI hazard and disaster specific training courses and $107,000 will be used to provide basic support for videoconferencing.

1991 Increases/Decreases. A base decrease of $23,000 to adjust resources to accommodate program priorities within overall deficit-reduction requirements.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

2. Training Field Deployment Systems

a. Authority. The Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq.; National Security Act of 1947, 50 U.S.C. 404; Defense Production Act of 1950, 50 U.S.C. App. 2061 et seq.; Federal Civil Defense Act of 1950, as amended, 50 U.S.C. 2251 et seq; National Flood Insurance Act of 1968, as amended; Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4001 et seq.; and Earthquake Hazards Reduction Act of 1977, as amended, 44 U.S.C. 7701 et seq.

b. Objective/Element Description. Under this element, field training is delivered throughout the States, territories, and trusts, using Regional Offices and State emergency management agencies. Financial assistance is provided to State government agencies through Comprehensive Cooperative Agreements (CCA) to support their State and local training programs. EMI also provides instructional materials and technical assistance to conduct courses. A qualification program for instructors is conducted at EMI for all trainers designated by State training offices. The vast network created by the program is the mainstay of EMI's nationwide deployment system and also provides an instructor cadre should a national crisis occur. In addition, EMI has developed a computerized Field Reporting System (FRS) to assist in managing the program, and a computerized Field Evaluation System (FES) to obtain and process student and instructor course evaluation data.

c. 1989 Accomplishments. In 1989, FEMA used $639,000 and no workyears for this program element under Emergency Management Planning and Assistance. The following activities were conducted in 1989:

- State and local training and exercise support. Deployment of existing and newly developed activities, largely through grants to the States, to support the delivery of these training courses in the States. These funds were used to conduct approximately 160 training activities for over 4,300 participants in the States, territories, and trusts through the CCA grants. Activities included comprehensive emergency management training that has application to a broad range of disaster hazards, and hazard specific training that focuses on one major type of hazard or disaster such as hazardous materials or earthquakes, and provision of printed educational material in support of these course offerings and newly developed activities. New activities were included in the earthquake, natural and technological hazards, and mitigation curriculum program areas. In addition, there was a continued focus on developing cost effective and technologically expedient training packages for pilot testing in State and local emergency management training programs. These programs included interactive videoconferencing and computer based/assisted instruction. Development, delivery, and revision decisions were made using the Five Year-Year Curriculum Management Plan (FYCMP) as the guiding document.

- Outreach and evaluation support. Resources provided for support to the field computerized data reporting system, the computerized field evaluation system, administration of the home study program to include initiation of revision of the Emergency Management, U.S.A. home study course, and related evaluation, outreach and management activities.

d. Changes From the 1990 Estimates. The 1990 current estimate reflects a net increase of $3,696,000 from the following: Congressional increases of $3,840,000 for SARA Title III training; $110,000 for hazardous materials first responder training; a decrease of $128,000 for Congressional general reductions and sequester; and a reprogramming reduction of $126,000 as justified in the 1990 operating plans.

e. 1990 Program. FEMA is allocating $4,508,000 and 3 workyears to this program element of which $118,000 is under Salaries and Expenses and $4,390,000 is under Emergency Management Planning and Assistance. These funds are being used to conduct approximately 2,510 training activities instructing over 63,050 participants in the States, territories, and trusts. Activities include comprehensive emergency management training that has application to a broad range of disaster hazards, and hazard specific training that focuses on one major type of hazard or disaster such as hazardous materials or earthquakes.

- State and local training and exercise support. Activities will include deployment of existing and newly developed activities, largely through grants to the states, for the delivery of 160 training activities for 4,300 participants in the States. This program area will also provide printed educational materials in support of these course offerings and newly developed activities. In addition, there is a continued focus on developing cost effective and technologically expedient training packages for pilot testing in State and local emergency management training programs.

- Outreach and evaluation support. Resources will support the field computerized data reporting system, the field evaluation system, and the administration of the home study program to include development and/or revision of course materials for new or existing courses. Activities are being initiated to provide Regional and State training managers interactive course admissions and roster data, as well as development of software to support student recordkeeping activities at the State level, along with additional computer hardware to support data transmission.

- Hazardous Materials (Title III) Training. Activities will include deployment of existing and newly developed training activities, primarily through grants, to the States and Indian Tribes for the delivery of 2,350 training activities for 58,750 participants in the States. Resources will also provide support for printing and evaluation/reporting requirements.

f. 1991 Program. FEMA requests a total of $820,000 and no workyears for this program element under Emergency Management Planning and Assistance, a decrease of $3,688,000 and 3 workyears from 1990. These funds will be used to conduct approximately 210 training activities instructing over 5,600 participants in the States, territories, and trusts. Activities will include comprehensive emergency management training that has application to a broad range of disaster hazards, and hazard specific training that focuses on one major type of hazard or disaster such as hazardous materials or earthquakes.

- State and local training and exercise support. Approximately $680,000 will be used for deployment of existing and newly developed activities. Of this amount, approximately $600,000 will be provided to the States in the form of grants for the delivery of 210 training activities for 5,600 participants in the States. The remaining $80,000 will be used to provide printed educational materials in support of these course offerings and newly developed activities. In addition, there will be continued focus on developing cost effective and technologically expedient training packages for pilot testing in State and local emergency management training programs.

- o Outreach and evaluation support. Approximately $140,000 in contractual funds will support the field computerized data reporting system, the field evaluation system, and the administration of the home study program, and development of computer assisted instruction (CAI) materials in support of emergency preparedness for grades 4-6.

1991 Increases/Decreases. The 1991 request reflects a decrease of $3,570,000 in Emergency Management Planning and Assistance. This represents a decrease of $3,840,000 for the termination of SARA Title III training offset by a small increase in grants to States for local training and exercise support.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

3. Resident Programs

a. Authority. The Robert T. Stafford Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq.; National Security Act of 1947, 50 U.S.C. 404; Defense Production Act of 1950, 50 U.S.C. App. 2061 et seq.; Federal Civil Defense Act of 1950, as amended, 50 U.S.C. 2241 et seq; National Flood Insurance Act of 1968, as amended; Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4001 et seq.; and Earthquake Hazards Reduction Act of 1977, as amended, 44 U.S.C. 7701 et seq.

b. Objective/Element Description. This element supports student participation in training activities delivered at EMI. The resident EMI facility provides Federal, State, and local emergency management professionals and public officials from across the nation the opportunity to exchange experiences and ideas and to have access to courses which, due to the technical nature of the content or the stature of the instructors/speakers, cannot be effectively delivered through the field program. The resident program also trains the instructors for field courses, a function that is essential to maintaining the quality of field instruction, and provides an opportunity for key target audiences to participate in course development and testing. Annually, over 3,000 students participate in EMI resident courses on the Emmitsburg campus. The scope of training at EMI includes both comprehensive and hazard specific courses and activities.

c. 1989 Accomplishments. In 1989, FEMA used a total of $1,484,000 and 7 workyears for this program element, of which $390,000 was under Salaries and Expenses and $1,094,000 was under Emergency Management Planning and Assistance. Education and training programs at the resident facility provided a national focal point for the dissemination of timely information and useful skills and knowledge to enable emergency managers to prepare for man-made and natural hazards. The 1989 program included delivery of 49 offerings of resident training activities, which included 10 train-the-trainer courses, to 1,683 participants in the following areas:

- Comprehensive emergency management training. Funds supported 5 training activities for 171 emergency management students in subjects applicable to a broad range of hazards or disasters. Topics addressed policy, programmatic, and operational concepts and functions for areas such as hazard mitigation and recovery; multi-hazard planning; professional and executive development; public assistance; and volunteer resources.

- Hazard or disaster specific training. Funding supported 36 training activities for 1,145 emergency management students in subjects that apply to specific hazards or disasters. Training was provided for specific hazards such as earthquakes, radiological, and hazardous materials, and addressed planning, mitigation, response, and recovery operations and policies.

- Training assistance to specific communities. Eight training activities provided assistance to 367 participants in the following specific communities: Rock County, Wisconsin; Ocean City, Maryland; Bakersfield, California; Peoria, Illinois; King County, Washington; Louisville, Kentucky; Boise, Idaho; and Aiken County, South Carolina.

In addition, initiatives were begun to computerize sections of the Integrated Emergency Management Curriculum (IEMC), to expand computer assisted instruction, and to use faculty computer authoring systems. Videoconferences were continued and expanded into new curriculum areas. New courses, methodologies, and delivery systems outlined in the FEMA Five-Year Curriculum Management Plan (FYCMP) were deployed as available. Three Curriculum Advisory Committees (CAC's) involving State and local emergency management experts were conducted in support of ongoing development efforts. In addition to providing advance training to selected participants in new training or program areas, the CAC helps to ensure that training materials developed are relevant to State and local needs.

d. Changes From the 1990 Estimates. 1990 current estimate reflects an increase of $446,000, which includes a Congressional increase of $301,000 for student travel stipends, reprogrammings of $176,000 as justified in the 1990 operating plans, and a decrease of $31,000 from general reductions and sequester.

e. 1990 Program. FEMA is allocating a total of $1,595,000 and 9 workyears to this program element, of which $409,000 is under Salaries and Expenses and $1,186,000 is under Emergency Management Planning and Assistance. Education and training programs at the resident facility provide a national focal point for the dissemination of timely information and useful skills and knowledge to enable emergency managers to prepare for man-made and natural hazards. The 1990 program includes the delivery of 49 offerings of resident training activities which includes 16 train-the-trainer courses, for approximately 1,683 participants in the following areas:

- Comprehensive emergency management training. Funding will support 6 training activities for 171 emergency management students in subjects applicable to a broad range of hazards or disasters. Topics addressed will include policy, programmatic, and operational concepts and functions for areas such as hazard mitigation and recovery; multi-hazard planning; professional and executive development; public assistance; and volunteer resources. Resources will also provide funding for student travel reimbursement grants, as well as contractual adjunct faculty and other support services.

- Hazard or disaster specific training. Funding will support 36 training activities for 1,145 emergency management students in all subjects that apply to specific hazards or disasters. Training will address specific hazards such as earthquakes, radiological, and hazardous materials, as well as planning, mitigation, response, and recovery operations and policies. Resources will also provide funding for student travel, adjunct faculty, and other contractual support services.

- Training assistance to specific communities. Seven training activities will provide assistance to 367 participants in the following specific communities: Dallas, Texas; Salt Lake City, Utah; Akron, Ohio; Charlottesville, Virginia; Carson City, Nevada; Anchorage, Alaska; and Kenai Peninsula, Alaska. Resources will also provide funding for student travel, adjunct faculty, and other contractual support services.

In addition, EMI will convene a number of Curriculum Advisory Committees (CAC's) at the resident facility involving State and local emergency management professionals to obtain input in support of development/revision initiatives.

f. 1991 Program. FEMA requests a total of $1,458,000 and 9 workyears for this program element, a decrease of $137,000 over 1990. Included in this total are $396,000 for Salaries and Expenses and $1,062,000 for Emergency Management Planning and Assistance. Education and training programs at the resident facility provide a national focal point for the dissemination of timely information and useful skills and knowledge to enable emergency managers to prepare for man-made and natural hazards. In addition, EMI will convene a number of Curriculum Advisory Committees (CAC's) at the resident facility involving State and local emergency management professionals to obtain input in support of development/revision initiatives and maintain support services. An estimated 49 offerings of resident training activities, which includes 16 Train-the-Trainer courses, will be delivered to approximately 1,683 participants in the following areas:

- Comprehensive emergency management training. Funding will support an estimated 6 training activities for 171 emergency management students in subjects applicable to a broad range of hazards or disasters. Topics will address policy, programmatic, and operational concepts and functions for areas such as hazard mitigation and recovery; multi-hazard planning; professional and executive development; public assistance; and volunteer resources. Costs of approximately $207,000 include funding for student travel reimbursement grants, as well as contractual adjunct faculty and other support services.

- Hazard or disaster specific training. Funding will support an estimated 57 training activities for 1,145 emergency management students in subjects that apply to specific hazards or disasters.

Training will be provided for specific hazards such as earthquakes, radiological, and hazardous materials, and will address planning, mitigation, response, and recovery operations and policies. Costs of approximately $532,000 include funding for student travel, adjunct faculty, and other contractual support services.

- o Training assistance to specific communities. Approximately 7 training activities will provide assistance to 367 participants in 8 specific communities. While the specific communities have not been identified at this point, past training was provided for a variety of jurisdictions ranging in size from Philadelphia or Los Angeles to Kingsport, Tennessee. Costs of approximately $323,000 include funding for student travel, adjunct faculty, and other contractual support services.

1991 Increases/Decreases. The 1991 program reflects a base decrease of $124,000 to adjust resources to accommodate program priorities within overall deficit-reduction requirements.

In keeping with the Administration's emphasis on the collection of user fees, the FEMA request proposes a student registration fee of $25 per week per resident student. While the administrative handling of the fee will be the responsibility of the resident facility, the revenues from the student fees will be directly deposited to the United States Treasury.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

4. NETC Site Administration

a. Authority. The Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. 5121 et seq.; National Security Act of 1947, 50 U.S.C. 404; Defense Production Act of 1950, 50 U.S.C. App. 2061 et seq., National Flood Insurance Act of 1968, as amended; and Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4001 et seq; and Earthquake Hazards Reduction Act of 1977, as amended, 44 U.S.C. 7701 et seq.

b. Objective/Element Description. This element provides for a share of the cost of operating and maintaining the National Emergency Training Center (NETC) facility in Emmitsburg, Maryland, and supporting the non-Civil Defense educational program of EMI. The funding in the element covers a portion of the facility costs for items such as maintenance, security, housekeeping, equipment, renovation, rent, and similar costs.

c. 1989 Accomplishments. In 1989, FEMA used $312,000 and no workyears for this program element under Emergency Management Planning and Assistance. The 1989 program included providing the EMI non-Civil Defense share of the facility operating and educational program support costs. The facility operations costs included maintenance, security, housekeeping, equipment, transportation, rents, media support and library services.

d. Changes From the 1990 Estimates. The 1990 current estimates reflect a net increase of $194,000 from a Congressional increase of $200,000 to return the EMI share of site administration to this element, and a decrease of $6,000 for Congressional general reductions, sequester, and reprogramming as justified in the 1990 operating plans.

e. 1990 Program. In 1990, FEMA is allocating a total of $194,000 and no workyears to this program element under Emergency Management Planning and Assistance. These resources provide the non-Civil Defense share of the cost of operating and maintaining the facility, providing administrative support to the National Emergency Training Center campus, and supporting the educational programs of the Emergency Management Institute and National Fire Academy.

f. 1991 Program. FEMA requests a total of $204,000 and no workyears for this element under Emergency Management Planning Assistance, an increase of $10,000 over 1990. The resources are requested for the non-Civil Defense share of continuing the cost of operating and maintaining the resident facility, providing administrative support to the various organizational entities at Emmitsburg, and supporting the educational programs of the Emergency Management Institute and the National Fire Academy.

1991 Increases. The 1991 request includes a base increase of $10,000 to provide for uncontrollable cost increases.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
TRAINING AND FIRE PROGRAMS
(Dollars in Thousands)

B. National Fire Academy	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Estimates by Program Element						
1. Instructional Programs & Materials..............	EM-158	$ 727	$ 790	$1,341	1,501	$ 160
2. Training Field Deployment Systems................	EM-160	1,354	1,686	904	770	-134
3. Resident Programs........	EM-162	1,998	930	1,976	2,155	179
4. NETC Site Administration.	EM-165	2,776	...	2,971	2,804	-167
Total, National Fire Academy (Budget Authority).....		6,855	3,406	7,192	7,230	38

Changes from Original 1990 Estimates. Reflects a net increase of $3,786,000 in Emergency Management Planning and Assistance in response to Congressional increases of $140,000 for hazardous materials first responder training; $794,000 for student stipends; and $2,750,000 for the restoration of NETC Administration to this program. Changes also include an increase of $300,000 reprogrammed from Radiological Emergency Preparedness, as justified in the 1990 operating plan, and a Congressional decrease of $198,000 for general reductions and sequester.

B. National Fire Academy

This program provides for the operation of the National Fire Academy (NFA) education program at the residential site in Emmitsburg, Maryland, and through off-campus outreach courses; support for the curricula development and evaluation effort; and a portion of the operating costs for the Emmitsburg campus.

1. Instructional Programs and Materials

a. Authority. Federal Fire Prevention and Control Act of 1974, 15 U.S.C. 2201 et seq.

b. Objective/Element Description. This element provides for the curriculum design and for the assessment, development and evaluation of NFA courses which are delivered at the Emmitsburg, Maryland, residential site and throughout the Nation in cooperation with State and local fire training agencies.

Each course follows a five-phase development process, which includes a needs assessment by practitioners in the field, task analysis and course structure, student and instructor manual development, pilot testing and revisions, and a material evaluation system. The element also provides for developing the material for NFA videoconferences as well as establishing overall NFA training and education curriculum policy, planning, evaluation, and training research.

c. 1989 Accomplishments. In 1989, FEMA used a total of $966,000 and 5 workyears for this program element, of which $239,000 was under Salaries and Expenses and $727,000 was under Emergency Management Planning and Assistance. Major accomplishments in development were milestone achievements associated with 20 separate courses which were under development by the Academy this year. Included are: (a) Phase V development and national release through the National Audiovisual Center of two new major instructional programs; (b) Phase I, II, III development on nine new Academy courses; and (c) Phase IV revisions of five ongoing courses. Other significant accomplishments include refinement of long- and short-term evaluation systems, additional college accreditation for more NFA courses, development and initial procedures for determining and documenting training requirements for Academy courses, and development of process and procedures for long-term evaluation of Academy courses. In-service training of new instructors was conducted for six new programs, and several staff development programs were administered. Planning and coordination of senior-level fire related seminars at State and local government level was completed. Three videoconferences were developed and produced.

d. Changes From the 1990 Estimates. The 1990 current estimates reflect an increase of $551,000, resulting from a reprogramming of $581,000 as justified in the 1990 operating plan and $30,000 decrease from general reduction and sequester.

e. 1990 Program. In 1990, FEMA is allocating a total of $1,610,000 and 5 workyears to this program element, of which $269,000 is under Salaries and Expenses and $1,341,000 is under Emergency Management Planning and Assistance. The following activities are planned for 1990:

- Phase I-III development work on eleven new courses.
- Phase IV revision work on six ongoing courses.
- Editorial support and book production for all Academy courses.
- Phase V national release of three courses.
- Phase V revision and re-release of two courses.
- Delivery of two teleconferences.
- Reformatting and re-release of two previously handed-off courses into self-study correspondence educational packages.
- Short-term evaluation of 585 course offerings and long-term evaluation of six program areas.
- Securing recommended college level accreditation of all new and ongoing field and resident courses.
- Conducting annual national needs assessment for Academy curriculum planning.
- Revision of four courses in the Open Learning Fire Service Program (OLFSP) curriculum.
- Continuation of telecommunications program with one production.
- Development and publication of a national directory of external master's degree programs for the fire service.
- Documenting program office training requirements which impact the fire service and related professions.

f. 1991 Program. FEMA requests a total of $2,117,000 and 15 workyears for this program element, an increase of $507,000 and ten workyears over 1990. Included in this total are $616,000 for Salaries and Expenses and $1,501,000 for Emergency Management Planning and Assistance. These resources provide for the following:

- Phase I-III development work on eighteen courses, at a cost of $559,000.
- Phase IV work on four ongoing courses, at a cost of $109,000.
- Phase V national release of three courses, at a cost of $69,000.
- Phase V revision and re-release of three courses, at a cost of $121,000.

- Short-term evaluation of 500 course offerings and long-term evaluation on six program areas, at a cost of $22,000.
- Continuation of the telecommunications conference program with one production, at a cost of $40,000.
- Support for teleconferencing at a cost of $74,000.
- Editorial support and book production for all Academy course development projects, at a cost of $125,000.
- Annual national needs assessment for Academy curriculum planning, at a cost of $75,000.
- Development of one new course in the Open Learning Fire Service Program (OLFSP) curriculum, at a cost of $78,000.
- Development of a higher education program linkages between OLFSP and two-year community college programs, at a cost of $72,000.
- Long-term evaluation of Academy courses, at a cost of $157,000.

1991 Increases/Decreases. Reflects a base increase of $160,000 to continue emphasis on course development and evaluation.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

2. Training Field Deployment Systems

a. Authority. Federal Fire Prevention and Control Act of 1974, 15 U.S.C. 2201 et seq.

b. Objective/Element Description. This element provides for a program that is administered by the Academy's Extension Services Branch and delivered by adjunct faculty in cooperation with, and with assistance from, State and local fire training agencies. Courses are delivered in every State to allow maximum opportunity for volunteer fire personnel attendance.

c. 1989 Accomplishments. In 1989, FEMA used a total of $1,737,000 and 8 workyears for this program element, of which $383,000 was under Salaries and Expenses and $1,354,000 was under Emergency Management Planning and Assistance. Major accomplishments included the delivery of 321 off-campus courses to 9,225 fire, rescue and allied professionals at the local level, and the provision of training to an additional 150,000 personnel through courses developed by the NFA and taught by State and local trainers. Additional off-campus efforts resulted in four offerings of the Computer Aided Management of Emergency Operations (CAMEO) course to 65

State and local hazardous materials specialists. Training of State and local personnel to deliver NFA developed courses continued at an increased level through 130 course offerings in the State Weekend Program initiative to 4,820 State and local fire service personnel for a total of 9,640 student days of instruction. This is the result of additional cooperation and coordination of fire training delivery systems achieved through expansion of the TRADE (Training Resources and Data Exchange) network. Handed-off one Train-the-Trainer package to 185 State and local fire training agencies. Completed Adjunct Faculty In-Service Training Workshops for four courses, to a total of 84 State and local personnel.

d. Changes From the 1990 Estimates. A net decrease of $782,000 in 1990 current estimates reflects decreases from reprogramming of $880,000 as justified in the 1990 operating plans, a decrease of $42,000 to accommodate Congressional general reductions and sequester, and a Congressional increase of $140,000 for hazardous materials first responder training.

e. 1990 Program. In 1990, FEMA is allocating a total of $1,384,000 and 9 workyears to this program element, of which $480,000 is under Salaries and Expenses and $904,000 is under Emergency Management Planning and Assistance. The following activities are planned for 1990:

- The on-campus State Weekend Program continues to be a vital program element with 26 participating States. There are 120 course deliveries planned for approximately 3,600 fire and rescue personnel for a total of 7,200 estimated student days of instruction.
- The number of direct deliveries of Academy developed courses sponsored by the State fire training systems is approximately 300. It is estimated that approximately 9,000 students are reached through these deliveries to State and local level fire service personnel for a total of 18,000 student days of instruction.
- The Student Manual Support Program which includes direct delivery and hand-off programs provides training to an estimated 225,000 people through the Train-the-Trainer (TtT) courses conducted at the State and local level for fire service personnel.
- The number of participating TtT fire training agencies from the State and local level continues to increase; and three additional Academy-developed and field-tested training packages are being "handed-off" for delivery by local instructors to local fire and rescue personnel through the Train-the-Trainer initiative.
- An on-campus conference for the 19 Regional Co-chairpersons of the national Training Resources and Data Exchange network is planned. A program assessment is being conducted to review accomplishments since the 1988 national conference and to recommend program direction.

f. 1991 Program. FEMA requests a total of $1,155,000 and 9 workyears for this program element, a decrease of $229,000 over 1990. Included in this total are $385,000 for Salaries and Expenses and $770,000 for Emergency Management Planning and Assistance. These resources provide for the following activities:

- Conduct 200 course deliveries at the State and local level. It is estimated that approximately 6,000 fire and rescue personnel will participate for a total of 12,000 days of instruction. Contractual services acquired through adjunct faculty provide necessary delivery support estimated at $200,000.

- Conduct an on-campus conference for the 190 Senior Fire Service Training Officers of the National TRADE network. An assessment of regional fire training needs will be conducted based on the planning, direction, and guidance of the 1990 national co-chair conference at $70,000.

- The Student Manual Support Program, which includes direct delivery and hand-off programs, provides training to an estimated 225,000 people through train-the-trainer courses conducted at State and Local level for fire service personnel. Estimated cost $216,000.

- Conduct two (2) Adjunct Faculty In-Service Training Workshops consisting of 70 State and local fire service personnel to enhance the Academy's off-site delivery adjunct faculty source listing at an estimated cost of $21,000.

- Provide for printing and course editorial and delivery support for dissemination services through the National Audiovisual Center. Expenditures include an interagency agreement with GSA, printing expenses through the Government Printing Office, and contractual services for support costs for an estimated $50,000.

- Conduct the annual TtT program and "hand-off" three Academy developed and field-tested training packages at an estimated cost of $50,000. It is estimated that an additional 40,000 fire personnel at the State and local level will be trained by utilizing these materials.

- Perform editorial support and book distribution for all field deliveries at an estimated cost of $125,000.

- The on-campus State Weekend Program continues to be a vital program element with 26 participating States. A total of 120 course deliveries are planned for approximately 3,750 fire and rescue personnel for a total of 7,500 student days of instruction at a cost of $38,000.

1991 Increases/Decreases. Reflects a base decrease of $134,000 to adjust resources to accommodate program priorities within overall deficit-reduction requirements.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

3. Resident Programs

a. Authority. Federal Fire Prevention and Control Act of 1974, 15 U.S.C. 2201 et seq.

b. Objective/Element Description. This element provides for the delivery of courses by the National Fire Academy (NFA) at Emmitsburg, Maryland, and program content coordination in the development of NFA videoconferences and field program courses.

c. 1989 Accomplishments. In 1989, FEMA used a total of $3,340,000 and 28 workyears for this program element, of which $1,342,000 was under Salaries and Expenses and $1,998,000 was under Emergency Management Planning and Assistance. The major accomplishment was the delivery of 151 course offerings to over 4,120 fire service and related personnel, representing 39,460 student days of training. In-service training for instructors was provided in two major education program areas to 40 instructors. In addition, contractual support for three videoconferences was provided as well as the support for the Fire Executive Fellowship program, co-funded with the United States Fire Administration. Additionally, the new Volunteer Incentive Program was piloted for volunteer fire personnel attending on-campus programs designed to meet their limited attendance availability, and the Executive Fire Officer Symposium was designed and implemented with approximately 100 Senior Chief Officers participating from throughout the United States.

d. Changes From the 1990 Estimates. 1990 current estimates reflect a net increase of $1,046,000 from a Congressional increase of $794,000 for student travel stipends, a reprogramming increase of $302,000, and a decrease of $50,000 to accommodate general reductions and sequester.

e. 1990 Program. In 1990, FEMA is allocating a total of $3,273,000 and 28 workyears to this program element, of which $1,297,000 is under Salaries and Expenses, and $1,976,000 is under Emergency Planning and Assistance. The following activities are planned for 1990:

- Deliver approximately 140 course offerings to an estimated 3,500 fire service and allied professionals representing 35,000 days of training.
- Deliver an Executive Fire Officer Symposium for approximately 100 senior fire service executives.
- Continue support of Arson Lab/Burn Building to facilitate the Fire/Arson Investigation course. This facility permits instructional demonstration of incendiary and accidental fires and their subsequent investigation.
- Deliver an increased number of one-week, intensive on-campus courses designed specifically for volunteer personnel who are unable to spend the normal two-week resident requirement for regular on-campus courses.
- Continue the Executive Fire Officer program.
- Co-fund, with the U. S. Fire Administration, the participation of six competitively selected senior fire officers from the State and local sectors in the FEMA Fire Executive Fellowship program at Harvard University's John F. Kennedy School of Government.

- o Provide a limited number of offerings of the new In-Service Resident Adjunct Faculty training program.

- o Continue limited modernization of the microcomputer applications laboratory.

f. 1991 Program. FEMA requests a total of $3,145,000 and 23 workyears for this program element, a decrease of $128,000 and ten workyears over 1990. Included in this total are $990,000 for Salaries and Expenses and $2,155,000 for Emergency Management Planning and Assistance. The following activities are planned for 1991:

- o Delivery of approximately 150 course offerings to an estimated 3,900 fire service and allied professionals providing approximately 39,000 student days of training. Expansion beyond the current delivery levels is limited by the capacity of the physical facilities. Requested resources include reimbursement for student travel and contractual services of adjunct faculty of approximately $1,800,000 and other costs. This amount provides for other costs such as air fare increases and normal increases in essential contract instructor services. Also included in the activity are the following specific activities:

  - Continue the Volunteer Incentive Program providing one-week duration courses designed to address specific needs of volunteer fire service personnel.

  - Continue the Executive Fire Officer series of courses.

  - Continue the course offerings targeted toward the hazardous materials curriculum area.

  - Improve the physical facilities of the Fire Protection Systems Laboratories to provide normal technical enhancements now prevalent in the fire protection environment.

  - Continue the Executive Fire Officer Symposium program.

- o Continued co-funding for the Fire Executive Fellowship program with the U. S. Fire Administration through Harvard University's John F. Kennedy School of Government, amounting to $15,000.

- o Continued modernization of the microcomputer applications laboratory at an estimated cost of $56,000 to provide an environment more adapted to current technology.

- o Miscellaneous course related expenses related to printing, supplies, and equipment acquired by contractual services estimated at $32,000.

- o ADP equipment improvements related to contracted editorial support activities, and support to the classroom management and material revisions at an estimated cost of $125,000.

- Continuation of the annual ceremony to honor the Fallen Firefighters who have given their lives at a cost of $12,000.

- Initiation of a multi-year effort to implement a comprehensive fire-safe building design program for architects and interior designers. Initially, the NFA will schedule a series of high visibility events aimed at enhancing the design community's awareness of design fire safety in America at an estimated cost of $50,000.

- Initiation of a three-year phased program to modernize the learning environment of the Academy and replace malfunctioning equipment and damaged or non-repairable classroom furniture and equipment that were inherited with the purchase of the Academy site in 1979, at an estimated cost of $65,000.

1991 Increases/Decreases. The 1991 program reflects an increase of $179,000 for instructional materials revision.

In keeping with the Administration's emphasis on the collection of user fees, the FEMA request proposes a student registration fee of $25 per week per resident student. While the administrative handling of the fee will be the responsibility of the resident facility, the direct costs are intended to be deposited to the United States Treasury.

g. Outyear Implications. No outyear implications over the 1991 request.

g. Advisory and Assistance Services. None.

4. NETC Site Administration

a. Authority. Federal Fire Prevention and Control Act of 1974, 15 U.S.C. 2201 et seq.

b. Objective/Element Description. This element provides for a share of the cost of operating the National Emergency Training Center (NETC) in Emmitsburg, Maryland, and supporting the educational program of the National Fire Academy. The funding covers a portion of the facility costs such as maintenance, security, housekeeping, equipment, rent, and similar costs. Also included is a portion of the resources required to operate the learning resource center and the media support activity.

c. 1989 Accomplishments. In 1989, FEMA used a total of $4,404,000 and 34 workyears for this program element, of which $1,628,000 was under Salaries and Expenses and $2,776,000 was under Emergency Management Planning and Assistance. The 1989 program included providing a share of facility operating and educational program support costs. The facility operations costs included maintenance, security, housekeeping, equipment, transportation, rents, media support and library services.

d. Changes From the 1990 Estimates. The 1991 current estimates reflect a net increase of $2,971,000 from a $2,750,000 Congressional restoration of NETC Site Administration to this program; a one-time reprogramming of $300,000 from Radiological Emergency Preparedness, as justified in the 1990 operating plan, and a decrease of $79,000 for the Congressional general reductions, sequester, and a minor reprogramming.

e. 1990 Program. In 1990, FEMA is allocating a total of $4,578,000 and 34 workyears to this program element, of which $1,607,000 is under Salaries and Expenses and $2,971,000 is under Emergency Management Planning and Assistance. These resources provide the fire program share of the cost of operating and maintaining the facility, providing administrative support to the National Emergency Training Center campus, and supporting the educational programs of the Emergency Management Institute and National Fire Academy.

f. 1991 Program. FEMA requests a total of $4,457,000 and 29 workyears for this program element, a net decrease of $121,000 and 5 workyears over 1990. Included in this total are $1,653,000 for Salaries and Expenses and $2,804,000 for Emergency Management Planning and Assistance. The resources are requested for the fire program share of continuing the cost of operating and maintaining the resident facility, providing administrative support to the various organizational entities at Emmitsburg, and supporting the educational programs of the Emergency Management Institute and the National Fire Academy.

1991 Increases/Decreases. The 1991 program reflects a net decrease of $167,000 in Emergency Management Planning and Assistance because the 1990 reprogramming from REP was a one-time transfer for special projects; the decrease is offset by an increase to the base of $133,000 for uncontrollable cost increases.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
TRAINING AND FIRE PROGRAMS
(Dollars in Thousands)

C. U.S. Fire Administration	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Estimates by Program Element						
1. Fire Prevention & Arson Control................	EM-168	$2,846	$500	$2,900	$3,258	$358
2. Federal Fire Policy & Coordination...........	EM-171	335	350	343	345	2
3. Firefighter Health & Safety.................	EM-173	345	400	404	1,099	695
4. Fire Data & Analysis.....	EM-176	893	900	874	887	13
5. NETC Site Administration.	EM-179	200	...	195	197	2
Total, U.S. Fire Administration (Budget Authority..............		4,619	2,150	4,716	5,786	1,070

Changes from Original 1990 Estimates. Reflects a net increase of $2,566,000 in Emergency Management Planning and Assistance resulting from Congressional increases of $2,500,000 to Fire Prevention and Arson Control, $200,000 for restoration of NETC Site Administration to this program, and a Congressional decrease of $134,000 for general Congressional reductions and sequester.

C. U.S. Fire Administration

The mission of the United States Fire Administration (USFA) is to enhance the nation's fire prevention and control activities and thereby significantly reduce the nation's loss of life from fire, and to achieve a reduction in property loss and non-fatal injury due to fire.

1. Fire Prevention and Arson Control

a. **Authority**. Federal Fire Prevention and Control Act of 1974, 15 U.S.C. 2201 *et seq*.

b. **Objective/Element Description**. This element is directed to reducing the loss of life and property in the nation due to the incidence of fire. This is being accomplished by the diligent application of programs and projects in the area of anti-arson strategies; creating public awareness of the hazards of fire, and fire protection and prevention measures; and researching codes and standards via a proactive approach to legislation and enforcement. Information obtained through applications is generated with and for the fire service community to inform and involve the general public in anti-arson strategies and fire prevention research.

c. **1989 Accomplishments**. In 1989, FEMA used a total of $3,052,000 and 4 workyears for this program element, of which $206,000 was under Salaries and Expenses and $2,846,000 was under Emergency Management Planning and Assistance. During 1989, the National Community Volunteer Fire Prevention Program was continued into its final three-year phase to bring in the remaining 20 States. The Fire Prevention and Arson Control element implemented a balanced three-pronged approach to residential sprinklers by focusing on research, demonstrations and technical information and assistance. Efforts continued on the national public education and awareness program with a focus on high-risk populations, i.e. seniors and children under age five. The U.S. Fire Administration continued its broad-based attack on arson through research and development, juvenile firesetter initiatives, the arson resource center, and support for community-based programs. Two unique projects were launched, examining the organization and management of fire department arson programs and the problem of vehicle arson fires. Efforts were continued to bring about better fire building code standardization and enforcement. A variety of materials was developed and published to keep fire service and private organizations current in fire prevention, protection and awareness. At the direction of Congress, USFA completed and submitted to the Legislative Branch a report addressing the status of, and made recommendations on, smoke detectors for the hearing impaired. USFA provided a grant to Underwriters Laboratory for the development of technical standards against which private sector manufacturers may design and produce devices capable of being approved and listed by nationally accepted testing labs for smoke detector systems for the hearing impaired.

d. **Changes From the 1990 Estimates**. Reflects a net increase of $2,400,000 from a Congressional increase of $2,500,000 to restore Fire Prevention and Arson Control to 1989 levels, a decrease from a reprogramming of $17,000, and an $83,000 decrease for general Congressional reductions and sequester.

e. 1990 Program. In 1990, FEMA is allocating a total of $3,216,000 and 8 workyears for this program element, of which $316,000 is under Salaries and Expenses and $2,900,000 is under Emergency Management Planning and Assistance. The following are planned for 1990:

- o Complete the second year of the final three-year phase of the National Community Volunteer Fire Prevention Program in the remaining 20 States.
- o Maintain the national public fire education and awareness program with special emphasis on Fortune 500 companies, seniors, and an augmentation of existing campaigns.
- o Maintain a balanced, multi-pronged approach to residential sprinklers through focusing on research and development, demonstrations, and technical information and dissemination. Special focus during the research phase will be on quick-acting sprinkler standards for mobile homes.
- o Carry out several interactive videoconference programs with focuses on alternate heating and fire safety for senior citizens.
- o Continue broad-based attack on arson through research and development, particularly on vehicle arson, organization and management of arson programs, juvenile firesetters, arson resource center, and support for community-based programs.
- o Continue efforts in research and information for high-risk special needs populations such as handicapped persons, e.g. smoke detectors for hearing impaired.
- o Extend unique public/private partnership for fire safe, adaptable modular housing through information dissemination and demonstrations.
- o Extend special-emphasis public fire education initiatives to high-risk populations, pre-school children and Native Americans.
- o Develop and publish a variety of materials to keep the fire service, the private sector and the public current in fire prevention, education, and awareness, and disseminate materials nationwide.

f. 1991 Program. In 1991, FEMA requests a total of $3,608,000 and 7 workyears for this program element, an increase of $392,000 over 1990. Included in this total are $350,000 for Salaries and Expenses and $3,258,000 for Emergency Management Planning and Assistance. These resources provide for the following activities:

- o Complete the final phase of the National Community Volunteer Fire Prevention Program in the remaining 20 States.

- o Continue implementation of a balanced multi-pronged approach to residential sprinklers by focusing on research, demonstrations, technical information, and assistance. Special focus during the application phase of the program will be placed on fire safety for Native Americans and the physically impaired as well as on fire safety in multi-family occupancies.

- o Continue the national public fire education and awareness program with special emphasis on the physically impaired and Native Americans.

- o Carry-out interactive videoconference programs as a vehicle for dissemination of public fire education information.

- o Expand broad-based attack on arson through research and development, juvenile firesetter and curious kids initiatives, arson resource center, and support for community-based programs.

- o Undertake expanded efforts with national building and fire code organizations to address State and local needs, i.e., technical assistance and information for local code officials; publicize new standards on warning for the hearing impaired technology.

- o Intensify programs designed to produce fire safety materials and information with particular emphasis on materials and information targeted to assist that segment of the population suffering from various handicaps.

- o Implement a national program to encourage Government travelers to stay in hotels/motels protected by fire sprinkler systems. This will include the preparation of educational materials, program guidelines, coordination with State and local fire services, monitoring for compliance, and coordination with other Federal agencies on Federal employee travel. This program will take effect upon signing of the Hotel and Motel Fire Safety Act of 1989 (H.R. 94).

1991 Increases/Decreases. An increase of $358,000 will allow the expansion of existing arson initiatives, particularly the community-based anti-arson program and the juvenile firesetter project being conducted in cooperation with the Office of Juvenile Justice of the Department of Justice.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

2. Federal Fire Policy and Coordination

a. Authority. Federal Fire Prevention and Control Act of 1974, 15 U.S.C. 2201 et seq.

b. Objective/Element Description. This element includes the conduct of research, development and technical efforts to encourage the Nation's overall fire protection management, an expansion of existing public/private interactions for models of public/private partnerships, assessment and evaluation of fire prevention efforts, the dissemination of information, and the review and authorization of reimbursement to local fire services for fighting fire on Federal property.

c. 1989 Accomplishments. In 1989, FEMA used a total of $593,000 and 5 workyears for this program element, of which $258,000 was under Salaries and Expenses and $335,000 was under Emergency Management Planning and Assistance. During 1989, efforts were made to expand public/private partnerships for fire prevention and to increase focus on support for the volunteer fire service. Major accomplishments included improved coordination among USFA, public interest organizations, fire service and other Federal agencies in policy and program development, including support for national/regional leadership conferences. This element also continued a program to improve fire service management through a senior fire executive fellowship program at Harvard University and other management improvement effort; expanded the development and dissemination of fire service information, including a special emphasis on volunteer fire service communication; continued the Integrated Emergency Management System (IEMS) efforts with fire, police and other public servants in national preparedness activities; and implemented a new effort in heavy urban rescue; and continued to process and analyze claims resulting from losses sustained by State and local fire service performing firefighting on Federal property.

d. Changes From the 1990 Estimates. Reflects a net decrease of $7,000 for Congressional general reductions, sequester, and a minor reprogramming.

e. 1990 Program. In 1990, FEMA requests a total of $659,000 and 6 workyears for this program element. Included in this total are $316,000 for Salaries and Expenses and $343,000 for Emergency Management Planning and Assistance. The resources will permit accomplishment of the following:

- Continue support for fire service leadership development through educational efforts, conferences, and special publications.
- Encourage broader involvement of the fire service in public/private partnerships, particularly in areas of new technology and approaches to address fire problems.
- Continue to support the implementation of integrated emergency management systems at State and local levels through a cooperative agreement with private sector organizations. Special emphasis is being placed on those elements that make up the command structure for State and local emergencies.

- Pursue public/private initiatives for new technologies, information and consensus codes.

- Support the identification and development of the fire service role in new technology development and the consensus codes process.

- Examine new ways to assist the volunteer fire service in improving its ability to share information and experience and therefore, improve its ability to protect the lives in the cities served.

- Improve the dissemination and use of fire safety information.

- Continue to pursue fire service leadership opportunities to achieve a closer relationship between the fire service and public management policy and planning.

- Support programs to improve the capacity of State and local fire service entities in building their capacity for urban search and rescue.

- Conduct a review of existing response information used by emergency response personnel at the State and local level to evaluate its accuracy and consistency and determine if it is properly expressed, and establish a working group consisting of officials from several Federal agencies to improve the information to emergency responders.

- Continue to process and analyze claims resulting from losses sustained by State and local fire services performing firefighting on Federal property.

f. 1991 Program. In 1991, FEMA requests a total of $709,000 and 7 workyears for this program element, an increase of $50,000 over 1990. Included in this total are $364,000 for Salaries and Expenses and $345,000 for Emergency Management Planning and Assistance. These resources provide for the following activities:

- Enhance fire service leadership development through educational and information assistance.

- Work with volunteer fire service to enhance their roles and efforts in addressing national fire problems.

- Improve the coordination of fire programs and resources in Federal agencies, and public interest organizations that impact on fire and emergency management.

- Develop and provide specialized information for State and local fire services with special focus on groups who are particularly vulnerable to fire hazards, such as children, senior citizens, physically impaired and Native Americans.

- Identify opportunities for fire service involvement in public/private partnerships.
- Support fire service roles in technology development and the consensus codes process.
- Achieve a better relationship between the fire service and other public management policy and planning organizations.
- Develop opportunities to enhance integrated emergency management systems at State and local levels.
- Increase fire safety and prevention awareness in the general public through cooperative efforts with other public/private entities as well as through the improved dissemination and use of fire safety information.
- Continue working in concert with other FEMA programs and local fire service entities in building their capacity to effectively respond to and operate at disasters requiring urban search and rescue techniques.
- Convene, on an annual basis, the interagency working group established to improve the information available to emergency response personnel regarding hazardous materials emergencies.
- Recommend changes and additions to the report to Congress concerning information available to local responders as stated above.

1991 Increases/Decreases. The 1991 program includes a base increase of $2,000 to adjust resources within overall deficit-reduction requirements.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

3. Firefighter Health and Safety

a. Authority. Federal Fire Prevention and Control Act of 1974, 15 U.S.C. 2201 et seq.

b. Objective/Element Description. The Firefighter Health and Safety program element operates to lower the rate of death, injury, and illness among the nation's firefighters. This is accomplished by sponsoring research to develop superior protective clothing, tools, and equipment to allow firefighters to operate more safely and efficiently in emergencies. Firefighter Health and Safety develops and makes available to the fire service model programs for improving the level of firefighter physical fitness and for measuring and monitoring the state of firefighters' health.

c. 1989 Accomplishments. In 1989, FEMA used a total of $500,000 and 3 workyears for this program element, of which $155,000 was under Salaries and Expenses and $345,000 was under Emergency Management Planning and Assistance. This funding provided for the following:

- Field tested the second generation of hazardous chemical protective suits.
- Continued Project Firesmoke in Phoenix. This project monitors the off-gases of combustion present at actual fires through a cooperative agreement with the National Institute for Occupational Safety and Health (NIOSH).
- Surveyed existing fire department driver training programs.
- Conducted a videoconference for emergency professionals on communicable disease.
- Conducted the second Forum on Communicable Disease Considerations for Emergency Personnel at the National Emergency Training Center (NETC).
- Conducted tests of self-contained breathing apparatus harness integrity under fire conditions.
- Conducted a videoconference that dealt with the effects of heat stress caused by the wearing of a chemical protective suit.

d. Changes From the 1990 Estimates. Reflects a net increase of $4,000 resulting from a reprogramming increase of $15,000 as justified in the 1990 operating plan, and a decrease of $11,000 from general reductions and sequester.

e. 1990 Program. In 1990, FEMA is allocating a total of $675,000 and 4 workyears to this program element, of which $271,000 is under Salaries and Expenses and $404,000 is under Emergency Management Planning and Assistance. The funding provides for the following:

- Development of a manual on protective procedures against communicable diseases for emergency personnel.
- Participation in a joint project to develop a national database for heavy search and rescue capability.
- Development of a model emergency vehicle operators training manual.
- Continuation of work and testing on chemical protective clothing and equipment research and development.
- Initiation of research on the effects of shock and vibration on breathing apparatus.

- Fabrication of a prototype of improved firefighter's footwear.

- Review of database on apparatus accidents.

- Conducting a teleconference, the subject of which will be urban search and rescue. This will be done in concert with FEMA's National Earthquake Program.

- Preparation of a model fire department communications manual.

f. 1991 Program. FEMA requests a total of $1,398,000 and 6 workyears for this program element, an increase of $723,000 over 1990. Included in this total are $299,000 for Salaries and Expenses and $1,099,000 for Emergency Management Planning and Assistance. This level of funding will provide a more comprehensive program designed to improve the health and safety of firefighters in the U.S. The following activities are planned for 1991:

- Undertake a variety of heavy search and rescue initiatives in cooperation with other FEMA programs. These include research and development in collapse and trench rescue techniques and equipment; incident command system protocols; emergency medical services deployment and procedures; communications; recommended training; review of large scale disasters; recommended Federal effort in response and recovery.

- Finalize the project to develop more universally effective total encapsulating chemical protective suits.

- Improve the data base on firefighter mortality rates.

- Develop a model procedure for notification of emergency response personnel who may have been exposed to a communicable disease, or diseases, in the line of duty.

- Develop specifications for firefighter protective equipment against the hazards of radiation.

- Field test the efficiency of the manual on protective procedures against communicable diseases for emergency personnel.

- Field test the emergency vehicle operator's training course.

- Develop test specifications, based on previous research, for testing effect of shock and vibration on breathing apparatus in accordance with existing consensus standards.

- Field test new type of firefighter footwear.

- Field test new fireground communications manual.

- Monitor and report on the experience of selected fire departments in attempting to meet the new fire service occupational safety and health standards.

- Monitor the impact of Superfund Amendment Reauthorization Act (SARA) on the fire service.

- Develop reporting and accountability procedures as volunteer personnel report for duty at an incident.

- Assess impact on the fire service of the Centers for Disease Control's (CDC) curriculum and guidelines on the prevention and transmission of Human Immunodeficiency Virus (HIV) and Hepatitis-B Virus (HBV).

- Develop a recommended warning light deployment procedure for use at emergency operations.

- Investigate structural and safety considerations of fire retardant plywood and engineered structural construction sub-assemblies.

- Prepare and distribute a report on the incidence, circumstances, and recommendations for prevention of emergency vehicle accidents.

1991 Increases/Decreases. An increase of $695,000 is requested for research and development on the varied problems faced by the fire service in responding to situations created by large scale disasters, such as earthquakes. The potential of hundreds of buildings collapsing and trapping occupants, poses severe challenges to which very few communities respond effectively. In addition, these funds will permit enhancement of research efforts in the following areas: improved protection from hazardous materials; improved communications capability to improve operating efficiency and reduce the potential for lost personnel; evaluation of apparatus operator training; and improved in communicable disease protection for emergency services personnel. This modest increase will permit the USFA to begin a more comprehensive attack on issues that are currently causing unnecessary loss of life to fire service members both volunteer and paid.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

4. Fire Data and Analysis

a. Authority. Federal Fire Prevention and Control Act of 1974, 15 U.S.C. 2201 et seq.

b. Objective/Element Description. The Fire Data and Analysis program element works to ensure effective fire data collection on a national basis; to develop and maintain a data bank of timely, accurate, and retrievable information; to continue analysis of major and/or unusual fires; and to assist State and local governments in implementing fire and rescue service information management improvements. This is accomplished through cooperative agreements and technical assistance to National Fire Incident Reporting System (NFIRS) member States, as well as metropolitan cities, in order to improve the quality and coverage of the NFIRS. This program also involves work with private sector organizations to develop and publish national level estimates on the magnitude and nature of the fire problem and provides for in-depth analyses of trends or emerging problems, as appropriate.

Technical assistance is provided to the National Fire Information Council (NFIC) to facilitate the development of a capability at the State level, responding to the information needs of system users at the local level.

c. 1989 Accomplishments. In 1989, FEMA used a total of $1,202,000 and 6 workyears for this program element, of which $309,000 was under Salaries and Expenses and $893,000 was under Emergency Management Planning and Assistance. The principal accomplishments for the year fell into two general categories: data collection and analysis, and special projects. In the former area, there was continued strengthening and expansion of the NFIRS involving a formal system-wide review of data quality and consistency as well as encouraging additional States to participate in the system. In the area of special projects, the principal accomplishments were the successful completion, in cooperation with NFIC, of the pilot field test of the fire service hazardous materials incident reporting system component for NFIRS, and the ongoing effort to generate an enhanced arson reporting capability. In addition, the continuation of USFA's technical reports series project led to the review and distribution of more than a dozen technical reports on major fires, notable among which was the construction site explosion in Kansas City, MO. The review of this incident led in part to the proposal of Federal legislation which may enhance the accessibility of local fire departments (for prefire planning purposes) to Federal and State enclaves, and which may prompt Federal review of the more prominent tactical/technical guides for first responders, to enhance their operational value, ease of use, etc.

d. Changes From the 1990 Estimates. 1990 current estimates reflect a decrease of $26,000 for Congressional general reductions, sequester, and a minor reprogramming.

e. 1990 Program. In 1990, FEMA is allocating a total of $1,055,000 and 6 workyears to this program element, of which $181,000 is under Salaries and Expenses and $874,000 is under Emergency Management Planning and Assistance. The funding provides for the following:

- Continuing to develop intervention strategies based on analysis of the demographics of residential fire deaths.

- Continuing support to the National Fire Information Council (NFIC), a private sector, non-profit corporation, in order to strengthen and expand the national fire incident reporting base of participating departments and enhance the data's utility to system users.

- Continuing the evolution of the USFA's technical report series activities to more effectively respond to the needs and interests of both the working fire service and the fire journals and their readers.

- Implementing, in cooperation with NFIC, a system of fire service hazardous material incident reporting requirements, as a component of NFIRS.

- Undertaking a review, on a sample basis, of selected fire department operations. The objective of this analysis, which will be national in scope and will cover the full range of department types, is to define more clearly the current range and level of departmental operations.

- Working with NFIC to design modifications to the enhanced arson report to facilitate incorporation of such data from NFIRS departments.

- Developing the pertinent issues-topics of Emergency Medical Services (EMS) problems and possible replicable solutions in cooperation with the American College of Emergency Physicians (ACEP) and other service providers.

f. 1991 Program. In 1991, FEMA requests a total of $1,086,000 and 4 workyears for this program element, an increase of $31,000 over 1990. Included in this total are $199,000 for Salaries and Expenses and $887,000 for Emergency Management Planning and Assistance. These resources will provide for the following:

- Continuation of the strengthening and expansion of the NFIRS, primarily by working closely with the National Fire Information Council, and increased emphasis on data analysis and dissemination at the Federal, State, and local levels. The latter activity includes both the development of new standardized analytical report formats for use at all levels as well as special studies of trends and problem areas, both national and regional. In addition, field implementation of hazardous materials and arson reporting modules in the NFIRS system, working in conjunction with NFIC and with selected participating jurisdictions, is targeted for this year.

- Analysis of selected fire department operations with particular attention to problem areas. This activity will include both the review and refinement of previously developed analytical tools and techniques as well as the development and test implementation of new analytical, managerial, and policy initiatives addressing specific operational problems. The latter will involve work at field locations across the country.

- Completion of the American College of Emergency Physicians emergency medical services initiative.

- Completion of text and training in support of enhanced "Data Analysis for Fire Department Managers."

1991 Increases/Decreases. The 1991 program includes a base increase of $13,000 to allow for inflation within overall deficit-reduction requirements.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

5. NETC Site Administration

a. Authority. Federal Fire Prevention and Control Act of 1974, 15 U.S.C. 2201 et seq.

b. Objective/Element Description. This element provides for a share of the cost of operating the National Emergency Training Center (NETC) in Emmitsburg, Maryland. The funding covers a portion of the facility costs such as maintenance, security, housekeeping, equipment, rent, and similar costs. Also included is a portion of the resources required to operate the learning resource center and the media support activity.

c. 1989 Accomplishments. In 1989, FEMA used a total of $200,000 and no workyears for this program element under Emergency Management Planning and Assistance. This provided a share of the cost of operating and maintaining the facility.

d. Changes From the 1990 Estimates. The net increase of $195,000 reflects a Congressional increase of $200,000 for restoration of NETC Site Administration to this program, and a decrease of $5,000 for Congressional general reductions and sequester.

e. 1990 Program. In 1990, FEMA is allocating a total of $195,000 and no workyears to this program element under Emergency Management Planning and Assistance. These resources provide this program's share of the cost of operating and maintaining the facility, providing administrative support to the National Emergency Training Center campus, and supporting the educational programs of the Emergency Management Institute and National Fire Academy.

f. 1991 Program. FEMA requests a total of $197,000 and no workyears for this program element under Emergency Management Planning and Assistance, an increase of $2,000 over 1990. The resources are requested for the USFA's share of operating and maintaining the resident facility, providing administrative support to the various organizational entities at Emmitsburg, and supporting the educational programs of the Emergency Management Institute and the National Fire Academy.

1990 Increases/Decreases. The 1991 program includes a base increase of $2,000 to allow for uncontrollable cost increases within overall deficit-reduction requirements.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
TRAINING AND FIRE PROGRAMS
(Dollars in Thousands)

D. NETC Site Administration

	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Estimates by Program Element					
1. NETC Site Administration....	...	$4,900	...	...	...
Total, NETC Site Administration (Budget Authority).....	...	4,900	...	...	...

Changes from Original 1990 Estimates. Reflects a net decrease of $4,900,000 from Congressional denial of proposal to consolidate funding from Site Administration elements of Civil Defense, Training and Education, and the EMI, NFA, and USFA programs of this activity. The consolidation is not requested for 1991.

FLOOD INSURANCE AND MITIGATION
Activity Overview

The flood plain management component of the National Flood Insurance Program (NFIP) focuses on hazard mitigation through programs that combine mapping and regulatory and technical assistance efforts for the purpose of responding to known flood hazards and mitigating their effects through a comprehensive approach to the management of the nation's flood plains. For 1991, FEMA is proposing that this activity be funded through a transfer of unobligated balance from the National Flood Insurance Fund (NFIF). Major programs under this activity include the following:

A. Flood Studies and Surveys, which identifies various flood risk zones, base flood elevations, floodways and coastal high hazard areas. The flood data for the study are either procured through interagency agreements with other Federal agencies, contracts with architectural and engineering firms, or developed from existing data. Flood studies provide detailed data and are the basis upon which communities can promulgate effective flood plain management ordinances. Once flood elevations are finalized, communities convert to the Regular Phase of the NFIP by adoption and enforcement of the required flood plain management ordinances. Participation in the Regular Program also allows residents to purchase flood insurance in higher amounts than is available to residents of communities in the Emergency Program, which is characterized by a flood hazard boundary map outlining the estimated special flood hazard area without detailed risk zones or base flood elevations. The studies are also utilized as a tool in setting rates for flood insurance.

Back-up data used for the studies is stored and made available to both individuals and organizations involved in the NFIP, and is usable by other FEMA programs in pursuing multi-hazard preparedness planning projects. As FEMA proceeds with implementation of the Integrated Emergency Management System (IEMS), this wealth of flood data is a particularly valuable resource for hazard identification and analysis at the State and local level.

B. Flood Hazard Reduction, which provides for the development of improved flood plain management standards and techniques; technical assistance to State and local governments; and community assistance, monitoring and enforcement for compliance with NFIP flood plain management requirements.

C. Purchase of Property, which provides for the public acquisition and transfer to local governments of properties that have sustained very severe or repeated flood damage, thus reducing future Federal expenditures for disaster relief and financial assistance.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
FLOOD INSURANCE AND MITIGATION
(Dollars in Thousands)

Estimates by Program Element	Page No.	1989 Actual (1)	1990 Request (1)	1990 Current Estimate (1)	1991 Request (2)	Increase/ Decrease
A. Flood Plain Management						
1. Flood Studies and Surveys..	EM-185	$36,546	$36,283	$36,283	$36,283	...
2. Flood Hazard Reduction.....	EM-191	3,778	4,020	4,020	4,020	...
3. Purchase of Property.......	EM-194	929	...	2,720	4,720	2,000
Total, Flood Plain Management (Budget Authority)..........		41,253	40,303	43,023	45,023	2,000

Changes from Original 1990 Estimates. Includes $2,720,000 of unobligated balance carried forward for Purchase of Property.

(1) Reflects a transfer of unobligated balance from the National Flood Insurance Fund.

(2) Requests a transfer of unobligated balance from the National Flood Insurance Fund.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
FLOOD INSURANCE AND MITIGATION
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	...	...	...	...	...
25.0 Other services	$1,928	$2,000	$2,219	$2,200	($19)
26.0 Supplies and materials	36,285	35,103	37,589	39,623	2,034
31.0 Equipment	...	...	...	...	...
32.0 Land and structures	45	...	5	...	(5)
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	2,995	3,200	3,210	3,200	(10)
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	41,253	40,303	43,023	45,023	2,000

A. Flood Plain Management

1. Flood Studies and Surveys

a. Authority. National Flood Insurance Act of 1968, as amended, and Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4001 et seq.

b. Objective/Element Description. The objectives of this program are to identify Special Flood Hazard Areas and to produce, distribute, store, update, and interpret current information on flood hazards and risks. Flood studies are either procured through interagency agreements with other Federal agencies, contracts with architectural and engineering firms, or developed from existing data. Restudies or revisions are performed when necessary to expand flood risk data into newly developing areas, previously unstudied, and to update information which has become obsolete. The study establishes or modifies flood frequencies, elevations, floodways, and coastal high hazard areas within the community's developed or developing areas. It ascertains the physical characteristics of flood sources and flood plains and applies principles of hydrology and hydraulics to the determination of flood risks in order to set rates for flood insurance and enable local officials to enact flood plain management measures. The results of these analyses are reviewed by a technical evaluation contractor under contract with FEMA prior to the results being presented to the community concerned.

State and local officials must be consulted throughout the detailed flood analyses for each community. Consultations begin with a consultation and coordination meeting which determines the scope of the study. A final community meeting is convened at the study's conclusion to present its results, explain the community's right to appeal, and illustrate the responsibility of local officials to use the resulting data for establishing a sound program of flood plain management. Other informational meetings may be held to ensure the acquisition and transfer of pertinent flood data.

Flood insurance maps are subject to appeal by community officials and citizens. Appeals may be filed during formal appeal periods provided at the time of a map's issuance or any time thereafter. Appeals must be based on technical data disputing the findings of FEMA's flood studies. When accepted, appeals result in changes made either by an immediate revision of the flood map or by means of a letter followed later by a revision of the map.

FEMA maintains flood data provided for more than 20,000 communities. This information is kept for FEMA's records and is made available for use by other Federal agencies, State governments, local officials and private individuals. FEMA manages a contract to distribute about 8 million flood maps annually to those agencies and individual responsible for using them. A mass mailing of all flood maps occurs at the time of their printing. A library and centralized system of distribution is available to handle subsequent orders for flood insurance maps and flood insurance studies.

Technical assistance is also offered to other Federal agencies, State and local officials, and private citizens in interpreting and applying this flood data. Special studies and engineering research reports produce technical guidance materials, resolve problems, and improve methodologies in support of effective local flood plain management programs.

All funding for this program is derived by the transfer of unobligated balance from the National Flood Insurance Fund to the Salaries and Expenses and Emergency Management Planning and Assistance appropriations.

c. 1989 Accomplishments. In 1989, FEMA used a total of $39,341,000 and 57 workyears for this program, of which $2,795,000 was under Salaries and Expenses and $36,546,000 was under Emergency Management Planning and Assistance. These resources were used to accomplish the following:

- Initiated 152 detail flood insurance restudies and 109 existing data restudies, the latter of which are less costly than traditional detail restudies.

- Initiated 106 flood map updates under the Limited Map Maintenance program for communities where full restudies were not warranted.

- Completed 525 flood risk studies.

- Completed revisions to 342 community flood insurance rate maps using data developed by communities or private sector sources and completed 102 revisions using data developed by FEMA under the Limited Map Maintenance Program.

- Evaluated and resolved 2,709 official appeals or requests for revision or amendment of Flood Insurance Maps.

- Printed 785 flood study reports and 12,000 maps and distributed 7.5 million flood map sheets.

- Converted 505 communities to the Regular Program of the NFIP.

- Continued a study, through the National Academy of Sciences, of erosion management approaches and associated technical data needs for the Atlantic, Pacific, and Gulf of Mexico coasts as well as the shorelines of the Great Lakes to determine the most cost effective strategy for the long-term implementation of Section 544 of the Housing and Community Development Act of 1988.

- Completed a study to develop criteria for evaluating protection levels afforded by coastal flood control structures.

- Initiated pilot studies for performing wave runup analyses in Great Lakes communities.

- Analyzed the impact of Upton-Jones amendment (P.L. 100-242) on risk management activities.

- Completed a Cost-Effective Plan for Flood Studies Maintenance.

- Initiated a special study to evaluate the affects of agricultural levees on flood hazards.

- Digitized Flood Insurance Rate maps for 5 pilot communities and developed flood risk directories by property address for 3 pilot communities.

- Operated a map fee system to change certain categories of flood map recipients for map orders placed. Collected $331,276 under this system which was returned to the National Flood Insurance Fund.

- Collected $282,904 in fees for engineering reviews and processing associated with issuance of conditional letters of map correction.

- Microfilmed 30,000 archive Flood Maps Panels.

d. Changes From the 1990 Estimates. None.

e. 1990 Program. FEMA is allocating a total of $39,134,000 and 58 workyears for this program of which $2,851,000 is under Salaries and Expenses and $36,283,000 is under Emergency Management Planning and Assistance. The following are the quantified outputs this element will produce in 1990:

- Initiate 162 flood insurance restudies and 60 existing data restudies as part of the transition to a full risk data maintenance effort. This transition will be essentially completed in 1992.

- Initiate 170 flood map updates under the Limited Map Maintenance Program (LMMP) for communities where full restudies would otherwise be required in order to reduce future program expenditures for the maintenance of hazard and risk data.

- Complete 450 flood insurance studies and restudies.

- Complete revisions to 170 community flood insurance rate maps using data developed by communities or other appellants and 106 community flood insurance rate maps using data developed under the LMMP in prior fiscal years.

- Evaluate and resolve 2,700 official appeals or requests for revision or amendment of flood insurance maps.

- Print 700 flood study reports and 12,000 maps.

- Distribute 8 million map sheets.

- Convert 410 communities to the regular phase of the NFIP.

- Continue the fee charge system for flood maps and studies supplied to the general public and the fee charge system for conditional letters of map correction in order to reduce program costs.

- Continue to develop digital flood map data and explore the use of geographic information systems to improve risk data availability and useability for program constituencies by developing flood risk directories for three additional pilot communities.

- Complete the study with the National Academy of Sciences on erosion management approaches and associated technical data needs for the Atlantic, Pacific, and Gulf coasts and the Great Lakes.

- Complete wave runup studies for three pilot communities along the Great Lakes shorelines.

- Complete a special study on the effects of agricultural levees on flood hazards.
- Initiate pilot studies to test methodology and procedures for doing erosion rate studies.

- Implement a fee charge system for requests for data from the FIA archive data system.

- Complete microfilming of 300,000 archive flood maps.

- Initiate a special study to determine criteria to be used in recognizing effectiveness of flood control structures on alluvial fans for NFIP mapping purposes.

- Initiate a special study of sea level rise on the NFIP as mandated by P.L. 101-137.

f. 1991 Program. In 1991, FEMA requests a total of $39,221,000 and 58 workyears for this program. Included in this total are $2,938,000 for Salaries and Expenses and $36,283,000 for Emergency Management Planning and Assistance. The information which follows is a table which specifies the level of funding required to accomplish these activities and the quantified outputs FEMA will produce in 1991, all of which will be performed under contract:

FUNDING ALLOCATION
(dollars in thousands)

	1989 (1)	1990 (1)	1991 Request (1)
Studies in Progress....................	$965	$950	$950
Restudies..............................	8,793	8,595	8,300
Limited Map Updates....................	2,029	2,428	3,000
Technical Evaluation, Appeals, and Map Revisions........................	21,490	20,241	16,343
Printing/Distribution..................	2,342	2,699	2,190
Erosion Data Development...............	31	275	2,500
Engineering/Research Reports...........	360	395	500
Flood Map Digitization.................	450	700	2,500
Total, Flood Studies and Surveys...	36,460	36,283	36,283

(1) Distribution of obligating authority derived from a transfer of unobligated balance from the National Flood Insurance Fund to FEMA's Emergency Management Planning and Assistance appropriation.

- An erosion rate study plan has been designed to develop data for all coastal areas subject to erosion, including the Great Lakes, that conforms to a National standard in order to achieve uniformity in the administration of the Upton-Jones amendment (P.L. 100-242) to the National Flood Insurance Act of 1968. Data will be published by FEMA in the form of mean annual erosion rates and will be used by the states and communities to satisfy the administrative roles they are to expected to fulfill in the implementation of this amendment. This plan projects expenditures of about $22 million between fiscal years 1991 and 1995 to ensure that accurate erosion rate information is provided to 258 counties with 12,458 miles of coastal/lake shoreline in 35 states and territories.

- In 1991 FEMA plans to initiate an effort to digitize its Flood Insurance Rate Maps for all 715 counties and independent cities within the Consolidated Metropolitan Statistical Areas as defined by the U.S. Bureau of the Census. The effort will yield computer-compatible flood maps covering 80% of the nation's Property-at-Risk. This effort will also facilitate the use and updating of flood maps in an automated environment. Digital flood maps, in conjunction with Geographic Information Systems (GIS) technology, will permit the development of such products as flood risk directories by property address which will facilitate the identification of properties where mandatory flood insurance purchase applies and will also facilitate the marketing and rating of flood insurance. This effort is proposed for completion in 1996.

- Initiate 142 flood insurance restudies and 60 existing data restudies to continue maintenance of previously developed risk data.
- Technically evaluate and complete 220 flood insurance studies and restudies begun in prior years.
- Initiate 210 flood map updates under the Limited Map Maintenance Program (LMMP) for communities where full restudies would otherwise be required as a cost containment measure.
- Complete revisions to update 165 community flood insurance maps using data provided by communities or private sector sources.
- Complete revisions to 170 community flood insurance maps using data developed under the LMMP.
- Evaluate and resolve 2,800 official appeals or requests for revision and amendment of flood insurance maps.
- Complete the initial studies by converting the remaining 472 communities to the Regular Phase of the NFIP.
- Print or reprint 583 flood study reports and 11,000 community maps.
- Distribute 7.5 million map sheets.
- Complete the study to establish criteria for evaluating the effectiveness of flood control structures on alluvial fans.
- Continue the fee systems for maps, FIS archive data, and conditional letters of map correction.
- Initiate 25 county studies to determine erosion rates and risk zones.
- Produce digital flood map data for 40 counties to improve risk-data availability and usability for program constituencies and continue to evaluate the feasibility of producing flood risk directories by property address.

1990 Increases/Decreases. None.

g. Outyear Implications. FEMA has prepared a plan for transitioning from the completion of the initial studies phase to implementation of a full program for maintenance of previously developed and published risk data for more than 18,000 communities comprising a Federal investment of nearly $1 billion. Full implementation of this maintenance program will be achieved in 1996.

FEMA has assessed benefits of producing digital mapping and has concluded that digital conversion of all flood hazard maps within the Consolidated Metropolitan Statistical Areas (CMSA's) will significantly improve data useability, flood insurance marketing, and containment of map revision costs. This program is expected to be completed during 1996. FEMA anticipates funding this effort at an average $5.8 million per year during the period 1992-96.

Implementation of the Upton/Jones Amendment (P.L. 100-242) to the National Flood Insurance Act of 1968, if reauthorized, will require data on shoreline rates of recession from erosion. FEMA has proposed a program to provide mean annual erosion rate data to the 258 counties in 35 states with 12,458 miles of coastal/lake shoreline. This 5-year program will reduce to maintenance level after 1995. Funding in the average amount of $4.0 million per year during the period 1992-95 is planned to support these efforts.

The total implications of FEMA activities for study maintenance, digital mapping, and erosion studies will result in future funding request's of about $36 million per year which will decline to about $27.3 million in 1997 with the completion of the erosion study effort during 1995 and the digital mapping effort during 1996.

h. Advisory and Assistance Services. None.

2. Flood Hazard Reduction

a. Authority. National Flood Insurance Act of 1968, as amended, and Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4001 et seq.

b. Objective/Element Description. The Flood Hazard Reduction Program was created to reduce loss of life and property from flooding and encourage wise use of the nation's flood plains. The program directly supports the national goals of reducing flood-caused property damage, deaths, injuries, disaster payments, tax losses and excessive insurance claims. The program assures that the nearly 18,000 flood-prone communities participating in the NFIP adopt and enforce flood plain management ordinances that meet NFIP minimum standards.

Individual community performance is systematically evaluated by review of flood plain development and permitting. Communities with program deficiencies and violations are targeted for technical assistance provided by FEMA staff supplemented by services provided under agreements with individual States and four Federal agencies (the Corps of Engineers, Soil Conservation Service, U.S. Geological Survey, and Tennessee Valley Authority). When technical assistance does not result in community compliance, enforcement procedures leading to probation and suspension are initiated.

All funding for this element is derived by the transfer of unobligated balance from the National Flood Insurance Fund to the Salaries and Expenses and Emergency Management Planning and Assistance appropriations.

c. 1989 Accomplishments. In 1989, FEMA used a total of $7,898,000 and 84 workyears for this program, of which $4,120,000 was under Salaries and Expenses and $3,778,000 was under Emergency Management Planning and Assistance.

More than 3,800 communities were visited or contacted, their performance evaluated, technical assistance provided and, when necessary, compliance actions taken. Of 11 noncompliant communities for which the probation process was initiated, seven communities became compliant and four communities were placed on probation with a $25 insurance rate surcharge imposed on all policyholders. Assistance in updating local flood plain ordinances to comply with minimum NFIP standards was provided to over 1,800 communities. Technical assistance was provided to local communities through arrangements with 42 States and four Federal agencies. Guidance was published for protecting flood plain development in eleven western states subject to alluvial fan flooding. The development phase has been completed for the program to evaluate post-flood damage evaluation and community construction practices. A national live videocourse for community flood plain management officials was attended by persons at more than 250 downsites. In cooperation with the National Association of Homebuilders, a videotape was produced on construction in riverine flood plains. A report on the nation's flood plain management activity was published as part of a Federal interagency effort under the aegis of the Unified National Program for Flood Plain Management. Development reached the feasibility state for a Community Rating System to reduce flood losses by providing incentives to those communities that exceeded minimum NFIP flood plain management standards. Damage assessments in the aftermath of Hurricane Hugo documented the success of the program's loss reduction standards in coastal high rise flood areas.

d. Changes from the 1990 Estimates. None.

e. 1990 Program. For 1990, FEMA is allocating a total of $8,196,000 and 85 workyears to this program, of which $4,176,000 is under Salaries and Expenses and $4,020,000 is under Emergency Management Planning and Assistance. Funding will be used to support enhanced flood plain management assistance to States and communities as the initial studies are all completed. In addition, the following will be accomplished:

- Provide for community technical assistance through arrangements with 44 individual States and interagency agreements with four Federal agencies (Corps of Engineers, Geological Survey, Soil Conservation Service, and Tennessee Valley Authority) participating in the Community Assistance Program.
- Initiate the development of a one-week flood plain management training course for state and local officials.

- Initiate development of design standards for arid west flood hazard management.

- Further test the feasibility of the Community Rating System and develop guidance in preparation for 1991 deployment.

- Update the Flood Emergency Repair Manual used by owners of flood damaged property to reduce their losses.

- Continue to evaluate the performance of building standards and seek incorporation of the NFIP building standards in the Nation's model building codes.

- Implement the operational phase of the post-flood damage assessment project.

- Through the Unified National Program for Floodplain Management, complete evaluation of the status of floodplain management and develop recommended actions for improving effectiveness of floodplain management.

- Complete development and begin dissemination of Children's Television Workshop educational materials on flooding.

f. 1991 Program. In 1991, FEMA requests a total of $8,313,000 and 85 workyears for this program. Included in this total are $4,293,000 for Salaries and Expenses and $4,020,000 for Emergency Management Planning and Assistance. Funding will be used to support: flood plain management technical support provided to communities through the State and Federal Support Services Program; community compliance monitoring and enforcement actions; implementation of the new community rating system; development of retrofitting strategies and projects for reducing flood damage to structures built prior to the NFIP; and, cooperation and support for the program of the U.S. Decade for Reduction of Natural Disasters. FEMA will also:

- Provide for community technical assistance by 48 individual States ($3,200,000 - grants)

- Provide for technical assistance to communities utilizing the expertise of other Federal agencies including the Corps of Engineers, Tennessee Valley Authority, Soil Conversation Service and U.S. Geologic Survey. ($520,000 - interagency agreement)

- Continue to evaluate the performance of NFIP design and constructing standards through the Post-Flood Damage Assessment Project. ($100,000 - contract)

- Continue development of flood resistant design and construction standards for arid west flood hazard management. ($200,000 - contract)

1991 Increases/Decreases. None.

g. Outyear Implications. FEMA will continue to increase its emphasis on flood loss reduction as the most effective means of decreasing program costs.

h. Advisory and Assistance Services. None.

3. Purchase of Property

a. Authority. Section 1362, National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4103 and 4127.

b. Objective/Element Description. The goal of this element is to reduce future flood insurance and disaster assistance costs in areas where flooding causes repetitive and substantial property damage. Property that has been substantially damaged beyond repair, damaged by floods on three or more occasions in five years with a damage-to-value proportion averaging at least 25% or for which a building permit to repair has been denied are eligible for purchase. Communities are eligible for participation in the purchase initiatives based on where acquisition will be in the public's interest and on the community's willingness to pursue a strong program of flood plain management and flood damage reduction that exceeds Federal minimum criteria. Owners of real property located in flood risk zones, who are covered by Federal flood insurance, potentially can qualify for this assistance through the community's application. The purchase price is determined by subtracting the amount of insurance claim payment from pre-flood fair market value of the improved real property. If the property is selected, and the property owner agrees to participate, the property is acquired by FEMA and the title is transferred to the local community or State, provided the land remains in an open space condition for public use. This program is an integral flood loss reduction tool of the NFIP.

All funding for this program is derived by the transfer of unobligated balance from the National Flood Insurance Fund to the Salaries and Expenses and Emergency Management Planning and Assistance appropriations.

c. 1989 Accomplishments. In 1989, FEMA used a total of $1,223,000 and 6 workyears for this program, of which $294,000 was under Salaries and Expenses and $929,000 was under Emergency Management Planning and Assistance.

The Purchase of Property program operates on a two-year funding basis. This is necessary because of the long lead time required to carefully select the most cost-effective properties and complete the acquisition process. During 1989, funds were obligated to acquire six properties. Few properties were acquired because of the unusually low levels of flooding during the past several years.

d. Changes from the 1990 Estimates. As a result of the unusually low levels of flooding during the past several years, FEMA did not request funds for this activity in 1990. An unobligated balance of $2,720,000 has been carried forward for this program in 1990.

e. 1990 Program. FEMA is allocating a total of $3,014,000 and 6 workyears to this program, of which $294,000 is under Salaries and Expenses and $2,720,000 is under Emergency Management Planning and Assistance. These funds will purchase an additional 60 properties at an average cost of $45,000.

f. 1991 Program. FEMA is requesting a total of $5,023,000 and 6 workyears for this program, of which $303,000 is under Salaries and Expenses and $4,720,000 is under Emergency Management Planning and Assistance. This will enable FEMA to purchase 94 properties at an average cost of $50,000. The 1991 request level is consistent with funding levels in years with average flooding.

1991 Increase/Decrease. An increase of $2,000,000 reflects restoration of funding for this element.

g. Outyear Implications. No outyear implications over the 1991 request.

h. Advisory and Assistance Services. None.

DISASTER RELIEF
Appropriation Language

For necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), [$100,000,000] $270,000,000 to remain available until expended.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990.)

["Sec. 108. (a) For necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), an additional $1,100,000,000 for fiscal year 1990 to meet the present emergency, to remain available until expended.] (Public Law 101-130, making further continuing appropriations for the fiscal year 1990.)

DISASTER RELIEF FUND
Appropriation Overview

With the signing of the Disaster Relief and Emergency Assistance Amendments of 1988, in November 1988, the Disaster Relief Act of 1974 (P.L. 93-288 as amended) was renamed the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The amendments do not affect disasters declared before the date of enactment and are projected to be cost neutral. Under the provisions of the Act, the President is authorized to provide Federal assistance to supplement the efforts and resources of State and local governments in response to major disasters and emergencies. Under Executive Order 12148, the Director of FEMA has been delegated the responsibility for administering the President's Disaster Relief Program. The Act currently specifies two types of Presidential declarations that may be made upon a Governor's request: a major disaster or an emergency.

When a major disaster or emergency is declared, a Federal Coordinating Officer (FCO) is appointed to represent the President in coordinating relief and recovery activities. A Disaster Field Office (DFO) is established from which the FCO manages the delivery of assistance during the period of intense activity immediately following a declaration. Permanent FEMA personnel from regional offices and headquarters as well as temporary Disaster Assistance Employees (DAE's) provide staff support. DFO's typically remain open a few months. However, because of the extended nature of certain projects, processing can continue for several years on open disaster contracts. The ongoing management burden continues unabated during periods of field response to subsequent disasters.

Funds are primarily obligated under the Individual Assistance Program for aid to families and individuals, the Public Assistance Program for aid to State and local governments, and for disaster management (e.g. DFO staff, ADP support).

Title II of the Act authorizes Disaster Preparedness Improvement Grants to help States develop better response capabilities.

Annual obligations are ultimately a function of the number, frequency, and magnitude of disasters occurring during any given year. Budgets are projected based on an assessment of historical averages. For the period of 1981 (when current cost sharing approaches were first applied to Public Assistance) to 1988, average annual obligations from the Fund were approximately $270 million. Since 1974, the number of requests for disaster assistance has averaged around 40 each year; the average number of disasters in a given year is approximately 28. In 1989, FEMA had 44 requests for disaster assistance, resulting in 29 Presidentially declared disasters involving 459 designated counties. Obligations for program grants in 1989 totalled approximately $117 million. FEMA incurred $22 million in administrative expenses from the fund. Total 1989 obligations from the Disaster Fund were $139 million, a number substantially less than the 15 year or eight year average, $324 million and $270 million respectively.

For 1989, Congress appropriated $100,000,000 to the Disaster Relief Fund, which was $100,000,000 below the requested amount. Together with a projected carryover of prior year unobligated funds of $91,890,000 and recovery of prior year obligations of $37,053,000, the original total resources for 1989 equaled $228,943,000.

As a result of the catastrophic disasters caused by Hurricane Hugo at the very end of the fiscal year, Congress approved supplemental appropriations of $1,108,000,000, increasing actual total resources for 1989 to $1,336,943,000. Because these disasters occurred so late in the fiscal year, the majority of these funds carried over into 1990, and obligations for these disasters are reflected in the 1990 portion of the narrative.

For 1990 FEMA requested an appropriation of $270,000,000. Obligations for 1990 were projected at $270,000,000, the historical average level for annual obligations. As a result of Hurricane Hugo, followed by the Loma Prieta earthquake in early fiscal year 1990, Congress appropriated additional funds of $1,198,450,000 to address the combined effects of these unprecedented events, and for other disaster activity during the balance of the year. Together with the carryover from 1989 of $1,198,381,000 and projected recovery of funds of $50,000,000, total obligating authority for 1990 is currently estimated at $2,446,831,000.

For 1991 FEMA requests an appropriation of $270,000,000 to address a projected return to more typical levels of new disaster activity during the year. FEMA is projecting obligations for those new disasters of $270,000,000. Together with a projected carryover of prior year unobligated funds (currently estimated at $205,231,000) and recovery of prior year obligations of $50,000,000, total obligating authority for FY 1991 disaster activity would be $525,231,000. During 1991 there will be ongoing activities associated with the management and delivery of assistance for the Hurricane Hugo and Loma Prieta earthquake disasters in addition to the requirements associated with new disaster activity during the year.

DISASTER RELIEF FUND
(Dollars in Thousands)

Estimates by Program Element	Page No.	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
A. Disaster Relief....................	DR-6	$98,200	$267,050	$1,195,500	$267,050	-928,450
B. Improvement Grants.................		1,800	2,475	2,950	2,950	...
Initial Budget Authority...........		100,000	270,000	1,198,450	270,000	-928,450
Supplemental Appropriations........		1,108,000	...	...	...	...
Total Disaster Relief (Budget Authority) 1/..................		1,208,000	270,000	1,198,450	270,000	-928,450
Unobligated Balance Carried Forward		91,890	21,890	1,198,381	205,231	-993,150
Recovery of Prior Year Obligations.		37,053	50,000	50,000	50,000	...
Total, Obligation Authority........		1,336,943	341,890	2,446,831	525,231	-1,921,600
Direct Obligations.................		138,562	270,000	2,241,600	270,000	-1,971,600
Budget Outlays.....................		140,316	236,000	1,240,000	1,164,865	-75,135

1/ Includes Congressionally mandated transfer of funds to Department of Labor for fiscal year 1989.

DISASTER RELIEF

(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	$3,338	$9,200	$24,000	$9,200	($14,800)
11.5 Other personnel compensation	1,272	...	16,750	...	(16,750)
11.8 Special personal services payments	59	...	...	...	...
11.9 Total personnel compensation	4,669	9,200	40,750	9,200	(31,550)
Personnel benefits					
12.1 Civilian personnel	318	700	3,000	700	(2,300)
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	450	...	(450)
Non-Personnel Costs					
21.0 Travel and transportation of persons	7,259	8,200	24,000	8,200	(15,800)
22.0 Transportation of things	238	100	5,000	100	(4,900)
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	100	400	100	(300)
23.3 Communications, utilities, and miscellaneous charges	1,367	400	6,000	400	(5,600)
24.0 Printing and reproduction	225	200	1,000	200	(800)
25.0 Other services	6,537	20,400	150,000	20,400	(129,600)
26.0 Supplies and materials	420	300	3,000	300	(2,700)
31.0 Equipment	982	900	8,000	900	(7,100)
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	116,647	229,500	2,000,000	229,500	(1,770,500)
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	138,562	270,000	2,241,600	270,000	(1,971,600)

SPECIAL EXHIBIT
Cora Brown Fund

1. Authority. Section 601 of the Disaster Relief Act of 1974 (P.L. 93-288) as amended.

2. Objective/Element Description. This section permits FEMA to receive and spend money willed to the Federal Government for disaster assistance. Mrs. Cora Brown left the majority of her estate to the Federal Government for use in natural disasters. Although the authority is in Title VI of the Act, FEMA considers the Cora Brown Fund a type of individual assistance. Highlights of the program are as follows:

   - Since FEMA administers the program under the Act, assistance is limited to declared major disasters.
   - Assistance will normally be given up to $2,000 although the Assistant Associate Director, Disaster Assistance Programs, may approve more if necessary.
   - No application by a disaster victim is necessary. FEMA will identify potential recipients by obtaining information from the American Red Cross, Individual and Family Grant (State) agencies, and any other source in the normal framework of disaster operations.
   - Any assistance provided from the fund will be identified as such to the recipient in order to distinguish it from appropriated funds.
   - The normal requirements of disaster assistance will also apply to the Cora Brown Fund (e.g. flood insurance requirements, environmental assessment, etc.).
   - Assistance will be limited to those who cannot obtain aid from any other source or who have remaining needs after receipt of all available disaster assistance.

3. 1989 Accomplishments. No assistance provided this fiscal year.

4. Current Status of the Fund. Approximately $1,296,000 is currently available for obligation.

5. Level of Expenditures. These obligations are projected for 1990 -- $50,000; and for 1991-- $50,000.

6. Possible Uses of Funds. Relocation away from hazardous areas, temporary housing-related costs, permanent housing and repair of real property and repair or replacement of personal property, community services to minority and handicapped disaster victims.

A. Disaster Relief Fund.

1. Authority. The Robert T. Stafford Disaster Relief and Emergency Assistance Act; Executive Order 12148; and Regulations, 44 CFR Subchapter D.

2. Objective/Element Description. Assistance is provided and coordinated according to the functions outlined in the following sections.

   a. Management and Coordination. The Federal Coordinating Officers (FCO) manages and coordinates the operations of the Disaster Field Office (DFO) which supports all program activities, including liaison with non-FEMA entities (other Federal, State, local and private non-profit agencies). Program Support functions provide overall coordination of logistics, communications, space, equipment, supplies, travel, staffing (including use of Disaster Assistance Employees) and DFO financial management. Automated Disaster Assistance Management System (ADAMS) equipment acquisition, software development, and training and deployment costs are also reflected under this function. Management and Coordination funds also cover Preliminary Damage Assessment (PDA) costs for all declaration requests.

   b. Individual Assistance. These resources support Temporary Housing Assistance (THA), which may be provided for up to 18 months. THA funding is 100% Federal except for construction of mobile home group sites, which are 75% Federal/25% State cost-sharing, and covers minimal repairs to residences, rental of available units, or use of FEMA-owned mobile homes. Individual Assistance resources also support Individual and Family Grants (IFG) at a maximum of $10,000 per applicant with 75% Federal/25% State cost-sharing mandated in the Act; Disaster Unemployment Assistance (DUA), administered by the Department of Labor covering workers not eligible for other unemployment assistance programs; Crisis Counseling; and Legal Services for low-income victims.

   c. Public Assistance. Resources under Public Assistance support emergency measures to (a) save lives, and protect public health, safety and property; and (b) supplement the efforts of State and local governments, and eligible private non-profit organizations to repair or restore facilities damaged or destroyed by events that have been declared major disasters or emergencies by the President. The primary forms of assistance include Public Assistance Grants (generally administered as 75% Federal/25% State and local cost-sharing) for emergency protective measures and permanent repair of facilities, and Community Disaster Loans to local governments. In addition, Fire Suppression Assistance to States, and emergency assistance by the DOD may be authorized by FEMA without a major disaster declaration by the President.

   The Federal share of public assistance projects may be increased above 75% in extreme circumstances. Individual small projects costing up to $35,000 (93% of all projects) may have the full Federal share paid at the time of project approval. Eligible costs for Public Assistance grants will include an administrative cost allowance for applicants and the State. For insurable structures within the identified base floodplain, the maximum amount of insurance recovery which could have been obtained will be subtracted from otherwise eligible costs.

d. Disaster Preparedness Improvement Grants (DPIG). The DPIG program provides funding for improving, maintaining and updating State disaster assistance plans and for related mitigation and operational preparedness activities. The development and maintenance of capability (comprehensive plans and practicable programs) by States for preparation against natural hazards is a continuing need. States identify priority needs and use DPIG funds to address the most critical requirements to improve disaster assistance capabilities. Grants may be made to a maximum of $50,000 each from the Disaster Relief Fund on a 50% Federal/50% State matching basis.

e. Hazard Mitigation and Preparedness. Extensive hazard mitigation activity has occurred as part of the disaster recovery process during DFO operations and beyond. Technical assistance and guidance are provided to direct and encourage efforts by applicants to adopt measures that have the potential to reduce costs in future disasters. Staff resources noted under Disaster Relief Administration and other administrative costs associated with DFO activities are included under Management and Coordination functions for the Disaster Relief Fund.

As mandated in the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Disaster Relief Fund may be used for matching grants (50% Federal/50% State or local) for FEMA approved hazard mitigation projects to reduce the risk of future damage, hardship, loss, and suffering in any area affected by a major disaster. The total Federal mitigation contribution is limited to 10% of estimated costs of permanent restorative work under public assistance (categories C-G).

3. 1989 Accomplishments. In 1989, FEMA obligated a total of $138,562,000 for program delivery and support under the Disaster Relief Fund. Program activities are noted in the following sections.

ACTIVITY	FUNDING	BASIS
a. Management and Coordination		
- Conducted 41 Preliminary Damage Assessments.	$1,000,000	N/A
- Managed 29 DFO operations, including supervision of DAE's equivalent to approximately 315 FTE, and funded all support requirements associated with delivery of assistance.	$20,205,000	N/A

- Acquired additional workstations and related devices to support expanded ADAMS processes.	$700,000	N/A
1989 TOTAL M&C	$21,905,000	

b. Individual Assistance

- Provided Temporary Housing Assistance to 15,281 eligible applicants.	$16,600,000	100%
- Administered 21,269 applications and provided funding for 15,424 Individual and Family Grants.	$20,250,000	75% Fed/25% State
- Funded Disaster Unemployment Assistance to 457 eligible applicants	$ 266,000	100%
- Supported 3 Crisis Counseling programs.	$ 65,000	100%
1989 TOTAL IA	$37,181,000	

c. Public Assistance

- Processed applications, conducted inspections, prepared and evaluated more than 15,000 on-site engineering estimates for damage restoration projects (Damage Survey Reports), reviewed processed and administered 801 State and subgrants for Federal disaster assistance for States and local governments (includes costs associated with disasters declared in prior years).	$76,000,000	Not less than 75% Fed.

- Approved funding for 4 Section 417 Fire Suppression Grants.	$ 1,584,000	70% Fed/30% State after floor cost is met
1989 TOTAL PA	$77,584,000	
d. Disaster Preparedness Improvement Grants		
- Approved funds for grant applications received from 54 applicants.	$ 1,810,000	50% Fed/50% State
e. Hazard Mitigation		
- Approved 1 grant for hazard mitigation, following a major disaster.	82,000	50% Fed/50% State
1989 TOTAL GRANTS	$116,647,000	

4. Changes from the Original 1990 Estimates. 1989 expenditures were below the 8 year average for annual obligations due to light disaster activity until the end of the fiscal year. Disasters resulting from Hurricane Hugo and the Loma Prieta earthquake produced obligation levels drastically beyond funding and prior estimates. Emergency supplemental appropriations were provided. The current estimates for 1990 have been revised to reflect this increase in program activity. Total obligating authority for 1990 now stands at $2,446,831,000.

5. 1990 Program. In 1990, FEMA expects to obligate a total of $2,241,600,000 for program delivery and support under the Disaster Relief Fund. The original 1990 projected obligations of $270,000,000 would have been typical of average obligations, based on 8 years of historical data. Disasters resulting from Hurricane Hugo and the Loma Prieta earthquake created near catastrophic level requirements with corresponding increases in program activity. Program activities are noted in the following sections and include changes in program costs and requirements based on the new provisions contained in The Robert T. Stafford Disaster Relief and Emergency Assistance Act.

ACTIVITY	FUNDING	BASIS
a. Management and Coordination		
- Conduct approximately 40 Preliminary Damage Assessments.	$ 1,600,000	N/A
- Manage 28 DFO operations, including supervision of DAE's, and funding of all support requirements associated with the delivery of assistance and coordination of emergency assistance for Hurricane Hugo and the Loma Prieta earthquake.	$235,000,000	N/A
- Fund acquisition of ADAMS equipment, software, technical support, systems development, research and analysis.	$ 5,000,000	N/A
1990 TOTAL M&C	$241,600,000	
b. Individual Assistance		
- Provide Temporary Housing Assistance to approximately 200,000 applicants.	$377,400,000	100% except for mobile home group sites at 75% Fed/25% State
- Provide Federal funding for approximately 97,000 Individual and Family Grants.	$183,000,000	75% Fed/25%State
- Support 8 Crisis Counseling Programs.	$ 8,600,000	100%
- Provide Disaster Unemployment Assistance to 9,000 individuals.	$ 2,250,000	100%
1990 TOTAL IA	$571,250,000	

c.	Public Assistance		
-	Process applications, conduct inspections, prepare and evaluate approximately 30,000 on-site engineering estimates for damage restoration projects (Disaster Survey Reports), review, process and administer 24 new grants to states for Federal disaster assistance (Project Applications) for States and local governments.	$1,335,000,000	Not Less than 75% Fed.
-	Approve funding for approximately 10 Section 417 Fire Suppression Grants.	$ 5,800,000	70% Fed/30% State
	1990 TOTAL PA	$1,340,800,000	
d.	Disaster Preparedness Improvement Grants		
-	Approve funds for grant applications from 59 applicants.	$ 2,950,000	50% Fed/50% State
e.	Hazard Mitigation		
-	Approve 28 grants for hazard mitigation following a major declaration.	$ 85,000,000	50% Fed/50% State
	1990 TOTAL GRANTS	$2,000,000,000	

6. 1991 Program. In 1991 FEMA requests an appropriation of $270,000,000 for program delivery and support under the Disaster Relief Fund, with obligations for the year projected at $270,000,000. This reflects a return to average levels of disaster activity. The 1991 Program activities are noted in the following sections:

ACTIVITY	FUNDING	BASIS
a. Management and Coordination		
- Conduct approximately 40 Preliminary Damage Assessments.	$ 1,600,000	N/A
- Manage 28 DFO operations, including supervision of DAE's, and funding of all support requirements associated with the delivery of assistance.	$ 37,900,000	N/A
- Maintain ADAMS processing environment through upgrade and replacement in addition to purchasing new equipment.	$ 500,000	N/A
- Fund automated system development initiatives to implement support capability for response and to increase effectiveness of ADAMS recovery system.	500,000	N/A
1991 TOTAL M & C	$ 40,500,000	
b. Individual Assistance		
- Provide Temporary Housing Assistance to approximately 20,000 applicants.	$ 43,400,000	100% except for mobile home group sites at 75% Fed/25% State
- Provide Federal funding for 25,500 Individual and Family Grants.	$ 47,380,000	75% Fed/25% State
- Support Crisis Counseling Programs.	$ 1,134,000	100%

	- Fund Disaster Unemployment Assistance.	$ 816,000	100%
	1991 TOTAL IA	$ 92,730,000	
c.	Public Assistance		
	- Process applications, conduct inspections, prepare and evaluate 13,100 on-site engineering estimates for damage restoration projects (Damage Survey Reports), review, process and administer 25 grants to states for Federal disaster assistance for States and local governments. In addition a large carryover of projects is expected from Hurricane Hugo and the Loma Prieta earthquake.	$119,020,000	Not less than 75% Fed.
	- Approve funding for approximately 10 Section 417 Fire Suppression Grants.	$ 5,800,000	70% Fed/30% State
	1991 TOTAL PA	$124,820,000	
d.	Disaster Preparedness Improvement Grants		
	- Approve funds for grant applications from 59 applicants.	$ 2,950,000	50% Fed/50% State
e.	Hazard Mitigation Grants		
	- Following a major declaration, fund 28 grants for hazard mitigation projects.	$ 9,000,000	50% Fed/50% State
	1991 TOTAL GRANTS	$229,500,000	

1991 Increase/Decrease. A net decrease of $928,450,000 because the request assumes a "normal disaster year" (average of annual obligations, 1978 - 1988) for the Disaster Relief Fund, and therefore repeats the 1990 request for $270 million, a 77% decrease from the amounts appropriated in 1990.

7. **Outyear Implications**. No outyear implications over the 1990 request.

8. **Advisory and Assistance Services**. None.

PRESIDENTS DISASTER FUND
ACTUAL AND PROJECTED OBLIGATIONS
PERIOD OF DECLARATIONS 10/1/88 THROUGH 9/30/89

CONTRACT	REGION	STATE	DATE DECLARED	TYPE	TOTAL FUNDING	PROGRAMS	FIELD OFFICE	NO OF COUNTIES
816	6	TEXAS	10/05/88	HURRICANE GILBERT	861,797	IA	HARLINGEN	3
817	6	ARKANSAS	11/23/88	SEVERE STORMS & TORNADOES	529,288	IA	LITTLE ROCK	24
818	4	N. CAROLINA	12/02/88	SEVERE STORMS & TORNADOES	786,393	IA	RALEIGH	9
819	5	ILLINOIS	01/13/89	SEVERE STORMS & TORNADOES	1,133,787	ALL	ALLENDALE	5
820	8	UTAH	01/31/89	DIKE FAILURE & FLASH FLOODING	910,873	PA	ST. GEORGE	1
821	4	KENTUCKY	02/24/89	SEVERE STORMS & FLOODING	9,241,737	ALL	FRANKFORT	65
822	10	WASHINGTON	04/14/89	HEAVY RAINS, FLOODING, & MUD SLIDES	1,911,822	PA	EAST WENATCHEE	4
823	6	TEXAS	04/23/89	SEVERE STORMS & FLOODING	2,157,561	BY COUNTY	LONGVIEW	9
824	5	MINNESOTA	05/08/89	FLOODING	3,002,446	ALL	MOREHEAD	8
825	8	NORTH DAKOTA	05/08/89	FLOODING	1,925,326	ALL	FARGO	6
826	10	ALASKA	05/10/89	SEVERE FREEZING	1,920,798	PA	ANCHORAGE	11
827	4	N. CAROLINA	05/17/89	TORNADOES	3,426,654	BY COUNTY	WINSTON-SALEM	13
828	6	TEXAS	05/19/89	SEVERE STORMS, FLOODING, & TORNADOES	25,997,698	BY COUNTY	LONGVIEW	87
829	6	LOUISIANA	05/20/89	SEVERE STORMS & FLOODING	4,787,624	BY COUNTY	MONROE	30
830	1	MAINE	06/07/89	SEVERE STORMS & FLOODING	963,719	PA	LEWISTON	4
831	5	OHIO	06/10/89	SEVERE STORMS & FLOODING	2,971,667	IA	DAYTON	13
832	10	ALASKA	06/10/89	FLOODING	3,582,948	ALL	ANCHORAGE	1
833	6	LOUISIANA	06/16/89	SEVERE STORMS & TORNADOES	701,500	IA	MONROE	8
834	4	KENTUCKY	06/30/89	SEVERE STORMS & FLOODING	3,998,588	BY COUNTY	CORBIN	12
835	6	LOUISIANA	07/17/89	TROPICAL STORM ALLISON	4,069,528	IA	MONROE	18

PRESIDENTS DISASTER FUND
ACTUAL AND PROJECTED OBLIGATIONS
PERIOD OF DECLARATIONS 10/1/88 THROUGH 9/30/89

CONTRACT	REGION	STATE	DATE DECLARED	TYPE	TOTAL FUNDING	PROGRAMS	FIELD OFFICE	NO OF COUNTIES
836	6	TEXAS	07/18/89	TROPICAL STORM ALLISON	7,174,854	IA	LONGVIEW	9
837	1	CONNECTICUT	07/17/89	SEVERE STORMS & TORNADOES	10,930,869	ALL	LITCHFIELD	2
838	3	WASH, D.C.	08/28/89	SEVERE STORMS & HIGH WINDS	2,692,904	PA		1
839	3	MARYLAND	08/28/89	SEVERE STORMS & HIGH WINDS	3,733,724	PA		1
840	1	VERMONT	09/11/89	SEVERE STORMS & FLOODING	1,174,079	PA	MONTPELIER	5
841	2	V. ISLANDS	09/20/89	HURRICANE HUGO	148,541,024	ALL	ST. THOMAS	3
842	2	PUERTO RICO	09/21/89	HURRICANE HUGO	498,509,204	ALL	SAN JUAN	57
843	4	S. CAROLINA	09/22/89	HURRICANE HUGO	282,794,540	ALL	N. CHARLESTON	23
844	4	N. CAROLINA	09/25/89	HURRICANE HUGO	40,898,932	ALL	CHARLOTTE	29
			TOTALS FOR 29 CONTRACTS:		$1,071,331,884		TOTAL COUNTIES:	461

* = ALLOCATED AMOUNT/ IA = INDIVIDUAL ASSISTANCE/ PA = PUBLIC ASSISTANCE/ ALL = IA & PA

OFFICE OF INSPECTOR GENERAL
Appropriation Language

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, [$2,639,000] $3,905,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990.)

INSPECTOR GENERAL
Appropriation Overview

Public Law 100-504, enacted in 1988, created a statutory Inspector General (IG) within FEMA. Through a program of audits, investigations and inspections, the IG seeks to prevent and detect fraud and abuse, and promote economy, efficiency and effectiveness in the Agency's programs and operations. The law imposes certain duties and responsibilities beyond the conduct of audits and investigations that were not previously required. They include reviewing existing and proposed legislation and regulations relating to Agency programs and operations; preparing and submitting semi-annual reports to the Congress; establishing systems and data bases to gather statistical data in order to meet the increased reporting requirements of the statute; developing and maintaining a training program in order to comply with Comptroller General standards; and establishing systems and procedures to support provisions of the Program Fraud and Civil Remedies Act.

INSPECTOR GENERAL
(Dollars in Thousands)

Estimates by Program	Page No.	1989 1/ Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
A. Inspector General (Budget Authority)............	IG-6	...	$2,439	$2,563	$3,905	$1,342
(Budget Outlays)..............		...	2,438	2,358	3,798	1,440

1/ Funded under Salaries and Expenses appropriation, Management and Administration.

INSPECTOR GENERAL
(Dollars in Thousands)

Estimates by Office	1989 1/ Actual		1990 Request		1990 Current Estimate		1991 Request		Increase/ Decrease	
	MY	Amt.	MY	Amt.	MY	Amt.	MY	Amt.	MY	Amt.
A. Inspector General (Budget Authority)...........	...	...	45	$2,439	47	$2,563	60	$3,905	13	$1,342
Permanent Workyears										
Headquarters	...		29		31		40		9	
Regions	...		16		16		20		4	
Total, Permanent.................	...		45		47		60		13	
Total Workyears.....................	...		45		47		60		13	

Changes From Original 1990 Estimates. Reflects a net Congressional increase of $124,000.

1/ Funded under Salaries and Expenses appropriation, Management and Administration.

OFFICE OF THE INSPECTOR GENERAL

(Dollars in Thousands)

OBJECT CLASS	1989 1 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	...	$1,810	$1,990	$3,030	$1,040
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	1,810	1,990	3,030	1,040
Personnel benefits					
12.1 Civilian personnel	...	345	319	485	166
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	...	272	242	280	38
22.0 Transportation of things	...	...	...	50	50
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	...	...	...	5	5
25.0 Other services	...	5	5	20	15
26.0 Supplies and materials	...	...	...	5	5
31.0 Equipment	...	7	7	30	23
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	...	2,439	2,563	3,905	1,342

1/ Previously funded under Salaries and Expenses, Management and Administration.

A. Inspector General

1. Authority. The Inspector General Act of 1978 (P.L. 95-452) and Inspector General Act Amendments of 1988 (P.L. 100-504).

2. Objective/Office Description. The Inspector General (IG) provides audit and investigative support services for FEMA covering all Agency programs and operations. IG objectives are to prevent and detect fraud and abuse and to improve economy and efficiency in the administration of FEMA programs and operations. Activities are planned and conducted in response to requirements of laws, regulations, and Congressional and OMB directives; specific requests from the Director and other FEMA management officials; and allegations received from Agency employees and other sources.

3. 1989 Accomplishments. In 1989, FEMA used $2,185,000 and 42 workyears for this office under the Salaries and Expenses appropriation.

4. Changes from the 1990 Estimates. Reflects a net Congressional increase of $124,000.

5. 1990 Program. In 1990, FEMA is allocating $2,563,000 and 47 workyears to this office. When the FEMA IG office was placed under the provisions of the Inspector General Act in April 1989, new duties and responsibilities were imposed with no increase in resources. This will result in the diversion of existing audit and investigative resources to meet other requirements of the Act, corresponding with reductions in audit and investigative coverage of Agency programs and operations. The 1990 program includes internal audits in narrowly focused areas of accounting, administration and selected programs; a reduced number of external audits; and a limited number of reactive criminal investigations.

6. 1991 Program. FEMA requests $3,905,000 and 60 workyears for this office, an increase of 13 workyears and $1,342,000 over 1990. This level will provide the Agency with adequate audit and investigative coverage and ensure that requirements of the IG Act, other existing laws, regulations, and implementing OMB circulars are met. Activities will include the following:

   - o Conduct audits specifically required by laws, regulations and OMB guidance and perform annual audit related activities.

   - o Perform approximately 21 internal audits of FEMA activities and operations.

   - o Conduct audits of approximately 44 selected FEMA contracts and financial assistance awards made to State and local units of government under grants and cooperative agreements.

- Conduct investigations of most matters received where initial review disclosed potential for prosecution under criminal or civil law, as well as administrative procedures.

- Conduct inspections to support statutory requirements to promote economy and efficiency and prevent and detect fraud and abuse in Agency programs and operations.

- Review existing and proposed legislation and regulations relating to Agency programs and operations as required by the Act.

1991 Increase/Decrease. The 1991 request includes an increase of $1,342,000 and 13 workyears over the 1990 level. This increase includes $44,000 for one-half the estimated costs of a 1991 pay increase; $131,000 for one-half the costs of SES and Executive pay raises; and 13 workyears and $1,167,000 to provide the following:

- Improved audit coverage of FEMA programs and operations in compliance with existing laws and Comptroller General Standards (CGS).

- A reduction in the age of the pending investigations.

- Implementation of an inspections program to support statutory requirements to promote economy and efficiency and prevent and detect fraud and abuse in Agency programs and operations.

- Limited implementation of the provisions of the Program Fraud Civil Remedies Act, which became applicable to FEMA IG upon being brought under the IG Act.

- Institution of a quality control review process for audit and investigative work to assure compliance with Comptroller General Standards as required by the Act, as well as standards established by the President's Council on Integrity and Efficiency (PCIE).

- Development and maintenance of a training program in order to comply with Comptroller General Standards, as required by the Act.

- Support for joint projects and other activities of the PCIE.

NOTE: The requested increase should result in no additional net cost to the government, given the past accomplishments of the Inspector General over the 5-year period of 1984-1988. Over that period, the IG operating costs amounted to approximately $10 million, while savings and recoveries amounted to approximately $33 million.

7. Outyear Implications. No outyear implications over the 1991 request.

8. Advisory and Assistance Services. The 1991 request for the Inspector General includes $15,000 for the conduct of audits, studies, and special analyses as deemed necessary to carry out the provisions of the IG Act.

EMERGENCY FOOD AND SHELTER PROGRAM
Appropriation Language

There is hereby appropriated [$134,000,000] $124,991,000 to the Federal Emergency Management Agency to carry out an emergency food and shelter program pursuant to title III of Public Law 100-77, as amended: Provided, That total administrative costs shall not exceed three and one-half per centum of the total appropriation.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990.)

EMERGENCY FOOD AND SHELTER PROGRAM

Appropriation Overview

Funding provided by this appropriation is awarded to a National Board to carry out programs for sheltering and feeding the needy. The Board, which is chaired by a representative of FEMA, is composed of representatives from the United Way of America; the Salvation Army; the American Red Cross; Catholic Charities, USA; National Council of Churches of Christ in the USA; and the Council of Jewish Federations, Inc. This program is nationwide in scope and provides food and shelter to needy individuals through local private voluntary organizations and units of government selected by Local Boards in areas designated by the National Board as being in highest need. These Local Boards are an integral part of the program emphasizing local decision-making and monitoring for program compliance. The intent of the program is to meet emergency needs by supplementing other food and shelter assistance programs, thus enabling them to expand their services providing food and shelter to families and individuals.

The Administration will seek a one-year authorization for this and the other programs authorized by the McKinney Act, so that all Federal programs concerning homelessness will be on the same authorization cycle.

EMERGENCY FOOD AND SHELTER
(Dollars in Thousands)

	1989 Actual	1990 Request	1990 Estimate	1991 Current Request	Increase/ Decrease
Estimates by Program					
A. Emergency Food and Shelter (Budget Authority)	$126,000	$134,000	$130,092	$124,991	-$5,101
Budget Outlays	126,000	134,000	130,092	124,991	-5,101

Changes From Original 1990 Estimates: Reflects a Congressional reduction of $3,908,000 from general reduction and sequester.

EMERGENCY FOOD AND SHELTER

(Dollars in Thousands)

	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
OBJECT CLASS					
Personnel compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	...	...	...	...	...
25.0 Other services	...	...	...	...	...
26.0 Supplies and materials	...	...	...	...	...
31.0 Equipment	...	...	...	...	...
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	$126,000	$134,000	$130,092	$124,991	($5,101)
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	126,000	134,000	130,092	124,991	(5,101)

A. Emergency Food and Shelter (EFS) Program

1. **Authority**. The Stewart B. McKinney Homeless Assistance Act of 1987, as amended, Title III.

2. **Objective/Element Description**. The objective of this program is to supplement programs of food and shelter through governmental and/or voluntary organizations at the local level. The intent is to alleviate the strain on local volunteer agencies which, because of the severity and magnitude of the problem, are unable to keep up with the demand for food and shelter for the needy.

For the National Board Program, high-need jurisdictions are selected nationwide based on three considerations: most-current annual unemployment rates; total number of unemployed within a civil jurisdiction; and poverty rates within a civil jurisdiction. In addition, the National Board has developed a State Set Aside Program in order to reach communities experiencing recent economic dislocations (large plant closings, etc.). State EFS Boards, similar in composition to the National Board, identify areas of greatest need and pockets of homelessness and poverty from sources at the State and local level. They give particular attention to jurisdictions not selected by the National Board.

For funding under Public Laws 100-104 (FY 1989), unemployment and poverty data were used to select the following jurisdictions:

- Jurisdictions, including balance of counties, with more than 18,000 unemployed and 4.9% unemployment rate.

- Jurisdiction, including balance of counties, with 1,000 to 17,999 unemployed and 7.5% rate of unemployment.

- Jurisdiction, including balance of counties, with 1,000 or more unemployed and an 11%+ rate of poverty.

For funding under Public Law 101-100 and 100-120 (FY 1990), the following criteria were used:

- Jurisdictions, including balance of counties, with more than 18,000 unemployed and 4.3% unemployment rate.

- Jurisdictions, including balance of counties, with 1,000 to 17,999 unemployed and a greater than 6.9% unemployment rate.

- Jurisdictions, including balance of counties, with 1,000 to 1,700 unemployed and an 11%+ rate of poverty.

3. 1989 Accomplishments: In 1989, FEMA used $126,000,000 for this program and obligated that amount to the National Board. The National Board funded more than 2,300 jurisdictions, with nearly 10,000 organizations receiving funds. This is estimated to have provided over 90,000,000 additional meals and more than 20,000,000 additional nights of shelter.

4. Changes from the 1990 Estimates. Reflects a Congressional reduction of $3,908,000 from a general reduction and sequester.

5. 1990 Program. In 1990, FEMA is allocating $130,092,000 to this program. This resource level provides $130,092,000 for obligation to the national board of voluntary organizations, which will distribute that amount to the local level.

6. 1991 Program. In 1991 FEMA requests $124,991,000 for this program, a decrease of $5,101,000 from 1990. This resource level provides $124,991,000 for obligation to the national board of voluntary organizations which will distribute that amount to the local level.

   1991 Increases/Decreases: The decrease of $5,101,000 reflects a base decrease in accordance with 1991 base methodology to adjust resources within overall deficit-reduction requirements.

7. Outyear Implications. No outyear implications over the 1991 request.

8. Advisory and Assistance Services. None.

NATIONAL INSURANCE DEVELOPMENT FUND
Appropriation Overview

The National Insurance Development Fund was established from the proceeds of the Riot Reinsurance Program, which was terminated by the Congress on November 30, 1983. It has also been used as the vehicle for the funding of the Federal Crime Insurance Program (FCIP), and it receives deposits from crime insurance premiums and other receipts.

The FCIP is a direct Federal program which offers insurance against financial loss from burglary and robbery. This insurance has been offered to homeowners, tenants, and business owners, at rates established without regard to risk, if protective devices have been installed on the property to be insured. Because of the general availability of insurance through the private sector, the problems this program was created to address are no longer of national proportions. Nearly 60% of the policies are in the State of New York.

Authority was included in the HUD-Independent Agencies Appropriations Act, 1986, for one-time payments to FCIP States. These payments were authorized for any FCIP State that certified it would develop an alternative mechanism for providing crime insurance. Eight of 26 jurisdictions took advantage of this opportunity and no longer participate in the program. One State, with less than 100 policies, no longer certified an availability problem and withdrew without requesting one-time funds.

The Crime Insurance Program is authorized through September 30, 1991.

NATIONAL INSURANCE DEVELOPMENT FUND
(Dollars in Thousands)

	Page No.	1989 Actual		1990 Request		1990 Current Estimate		1991 Request		Increase/ Decrease	
Estimates by Program Element		WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.
A. Federal Crime Insurance.......	ID-4	6	...	4	...	6	...	6	...	...	...
B. Salaries and Expenses (obligations).............	ID-8		($385)		($220)		($370)		($370)		...
Budget Authority..............			15,465		17,222		13,136		12,127		-1,009
Budget Outlays................			13,725		17,045		13,599		12,348		-1,251
Appropriation.................			...		...		...		...		...
Permanent Workyears											
Headquarters...................		6		4		6		6		...	
Regions........................		...		...		...		...		...	
Total, Permanent............		6		4		6		6		...	
Total Workyears..................		6		4		6		6		...	

Changes From Original 1990 Estimates. Reflects reauthorization of the program through September 30, 1991.

NATIONAL INSURANCE DEVELOPMENT FUND

(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	$319	$185	$300	$300	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnal compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	319	185	300	300	...
Personnel benefits					
12.1 Civilian personnel	42	20	45	45	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	24	15	25	25	...
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	...	...	...	...	...
25.0 Other services	3,577	3,373	3,541	3,506	($35)
26.0 Supplies and materials	...	...	...	...	...
31.0 Equipment	...	...	...	...	...
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	8,763	3,356	8,408	8,363	(45)
43.0 Interest and dividends	11,141	10,273	9,572	8,373	(1,199)
Total Obligations	23,866	17,222	21,891	20,612	(1,279)

A. **Federal Crime Insurance Program**

1. **Authority**. Urban Property Protection and Reinsurance Act of 1968, as amended, 12 U.S.C. 1749 bbb et seq.

2. **Objective/Element Description**. The President's National Advisory Panel on Insurance in Riot-Affected Areas, in its January 1968 report entitled, "Meeting the Insurance Crisis of Our Cities," pointed out that one important factor in the deterioration of inner-city areas was the unavailability of basic insurance coverages, including insurance against burglary and robbery. A study of the availability of crime insurance, conducted by the Federal Insurance Administration in 1970, concluded that there was a critical problem of availability of insurance in many areas. The Federal Crime Insurance Program (FCIP) became effective in August 1971.

   - **Review of Insurance Availability**. Continuing reviews are conducted to determine whether crime insurance is available at "affordable" rates, either through the normal insurance market or through State action. Many States do not appear to have a crime insurance availability problem. A few States which do have availability problems have implemented programs of their own. While there is evidence that some insureds would experience difficulty in being placed in the private market, there are States which have developed crime insurance programs of their own. Under State legislation, both Michigan and New Jersey have created programs which have been in existence since the initiation of the Federal program. These programs represent one way of meeting the crime insurance availability problem. In addition, the States of Indiana and Wisconsin have less formal programs supervised by their Insurance Departments. Neither Indiana nor Michigan has been a FCIP State. Several Fair Access to Insurance Requirements (FAIR) Plans have followed the lead of Massachusetts in making limited amounts of crime insurance available through the offering of fire insurance policies. Rhode Island, Wisconsin, Michigan, Maryland, and Illinois have added such coverages. In any event, the degree of the problem of crime insurance availability and/or affordability has not demonstrated that it is beyond the ability of the States or private insurers to develop means of addressing the situation.

   - **Selling and Servicing Insurance**. Crime insurance is a direct Federal program in which the Federal Government assumes the risk-bearing function. The insurance is available through the Program's servicing contractor to businesses and residences in participating jurisdictions without regard to the actuarial risk, if protective devices have been installed.

   - **Jurisdictions Covered**. The following table depicts the jurisdictions currently covered, the date of their entry into the program, and the policies currently in force:

Crime Insurance Policies By State
(As of September 30, 1989)

State	Date Of Entry	Residential	Commercial	Total
Alabama	7/77	688	11	699
California	11/80	1,646	459	2,105
Connecticut	8/71	84	18	102
Delaware	3/74	117	2	119
District of Columbia	8/71	41	61	102
Florida	2/74	1,482	603	2,085
Georgia	9/75	305	104	409
Illinois	8/71	262	289	551
Kansas	4/73	257	16	273
Maryland	8/71	57	83	140
New Jersey	2/73	1,116	201	1,317
New York	8/71	10,562	3,913	14,475
Pennsylvania	8/71	1,471	348	1,819
Rhode Island	8/71	13	16	29
Tennessee	8/72	113	92	205
Puerto Rico	6/78	532	142	674
Virgin Islands	10/78	177	23	200
TOTAL		18,923	6,381	25,304

3. 1989 Accomplishments. In order to reduce the current combined loss-to-expense ratio of 151 percent, an approximate 5% rate increase was implemented in 1989.

4. Changes From the 1990 Estimates. The new estimates assume the program is continued until September 30, 1991.

5. 1990 Program. In keeping with the Administration's goal of reducing the program's burden on the taxpayer, FEMA will implement a 15% rate increase, as authorized by the Congress.

6. 1991 Program. FEMA will raise premium rates, not to exceed the limits set by Congress, in order to make the program more efficient and less costly to the taxpayer.

7. Outyear Implications. The estimates assume the program will be discontinued on September 30, 1991 when current authorization expires.

8. Advisory and Assistance Services. The 1991 request includes neither funds nor workyears for advisory assistance services.

The status of the National Insurance Development Fund is as follows:

(Dollars in Thousands)

	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Number of Policies Issued................	25,304	13,786	24,309	22,837	-1,472
Unobligated Fund Balance,					
Start of Year......................	$136,121	$119,786	$120,656	$107,523	-$13,133
Insurance Premiums..................	8,401	...	8,758	8,485	-273
Insurance Claims....................	-8,763	-3,356	-8,408	-8,363	45
Operating Expenses..................	-3,577	-3,373	-3,541	-3,506	35
Interest Expense....................	-11,141	-10,273	-9,572	-8,373	1,199
Administrative Expenses.............	-385	-220	-370	-370	...
TOTAL..........................	-15,465	-17,222	-13,133	-12,127	1,006
Unobligated Fund Balance,					
End of Year........................	120,656	102,564	107,523	95,396	-12,127
Cumulative Borrowings.(1)................	129,344	152,227	142,477	154,604	12,127
Budget Outlay............................	13,725	17,045	13,599	12,348	-1,251

(1) Does not include $124,000,000 used from Riot Reinsurance income.

NATIONAL INSURANCE DEVELOPMENT FUND
(Dollars in Thousands)

Federal Crime Insurance Program

Estimates by Program Element	1989 Actual		1990 Request		1990 Current Estimate		1991 Request		Increase/ Decrease	
	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.
B. Salaries & Expenses (Appropriation)..............	6	...	4	...	6	...	6	...	...	...
Budget Authority...............		$385		$220		$370		$370		...
Budget Outlays.................		385		220		370		370		...
Permanent Workyears										
Headquarters...................	6		4		6		6		...	
Regions........................	...		...		...		...		...	
Total, Permanent...............	6		4		6		6		...	
Total Workyears...................	6		4		6		6		...	

Changes From Original 1990 Estimates. Reflects reauthorization of the program through Sepember 30, 1991.

B. Salaries and Expenses

1. Authority. Urban Property Protection and Reinsurance Act of 1968, as amended, 12 U.S.C. 1749 bbb et seq.

2. Objective/Element Description. This reimbursable program provides the required administrative support on a reimbursable basis for the Federal Crime Insurance Program.

3. 1989 Accomplishments. Accomplishments are detailed in the preceding narrative for the National Insurance Development Fund.

4. Changes from the 1990 Estimates. The new estimates assume the program is extended until September 30, 1991.

5. 1990 Program. FEMA will implement a Congressionally authorized 15% rate increase.

6. 1991 Program. Appropriate rate increases, within the limits set by Congress, will be implemented to reduce program losses.

7. Outyear Implications. The estimates assume the program is terminated on September 30, 1991.

8. Advisory and Assistance Services. The 1991 request includes neither funds nor workyears for advisory and assistance services.

NATIONAL FLOOD INSURANCE FUND
Appropriation Language

(TRANSFERS OF FUNDS)

Of the funds available from the National Flood Insurance Fund for activities under the National Flood Insurance Act of 1968, and the Flood Disaster Protection Act of 1973, [$10,734,000] $11,078,000 shall, upon enactment of this Act, be transferred to the "Salaries and expenses" appropriation for administrative costs of the insurance and flood plain management programs and [$40,303,000] $45,023,000 shall, upon enactment of the Act, be transferred to the "Emergency management planning and assistance" appropriation for flood plain management activities. In fiscal year 1990, no funds in excess of (1) $32,000,000 for operating expenses, (2) [$165,000,000] $183,500,000 for agents' commissions and taxes, and (3) [$3,500,000] $20,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990.)

Note: Although no interest expenses are projected for 1991, the authority to incur up to $20,000,000 in interest expense without prior notification to the Congress is being requested should greater than anticipated levels of flooding occur and to cover charges for purchasing Treasury securities.

NATIONAL FLOOD INSURANCE FUND
Appropriation Overview

The National Flood Insurance Program (NFIP) is a Federal program consisting of two components: insurance and flood plain management. The insurance component is the mechanism enabling property owners to buy flood insurance which is otherwise unavailable in the commercial market. As a loss mitigation tool and in return for the availability of insurance, communities agree to adopt and enforce flood plain management measures to protect lives and new construction from future flooding.

For decades, the national response to flood disasters was generally limited to flood control works and providing disaster relief to flood victims. This approach led to rising flood losses and rising Federal costs. To compound the problem, the public could not buy flood coverage from insurance companies, and building techniques to reduce flood damage to new construction were often overlooked.

The insurance mechanism enables people owning or renting property in the flood plain to insure against flood losses. By paying insurance rates which are, insofar as practical, related to the risk, there will be more enlightened management of the flood plains and a reduction in flood damage. This will reduce the need for relief due to flood disasters and will eliminate the cost to the general taxpayer for insurable flood damage.

The flood plain management component of the NFIP focuses on hazard mitigation through programs that combine mapping, regulatory, and technical assistance efforts for the purpose of responding to known flood hazards and mitigating their effects through a comprehensive approach to the management of flood plains. For 1991, FEMA is proposing that funding for this activity be provided through a transfer of unobligated balance from the National Flood Insurance Fund. FEMA also proposes that salaries and expenses for both the Insurance Activities and Flood Plain Management components of the NFIP be transferred from the unobligated balance of the National Flood Insurance Fund. Details for these activities may be found under Emergency Management Planning and Assistance and Salaries and Expenses for Flood Insurance and Mitigation.

NATIONAL FLOOD INSURANCE FUND
(Dollars in Thousands)

	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
OBJECT CLASS					
Personnel compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	...	...	...	...	...
25.0 Other services	$149,456	$196,572	$197,695	$215,472	$17,777
26.0 Supplies and materials	...	...	...	...	...
31.0 Equipment	...	...	...	...	...
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	533,857	365,062	281,063	324,397	43,334
43.0 Interest and dividends	21,155	3,500	...	...	...
Total Obligations	704,468	565,134	478,758	539,869	61,111

A. Insurance Activities

1. Authority. Flood Disaster Protection Act of 1973, as amended and National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq.

2. Objective/Element Description. The National Flood Insurance Act of 1968, as amended, authorized providing flood insurance on a national basis by a joint program with the Federal government and the private sector insurance industry. Until December 31, 1977, flood insurance was provided by a joint government/industry program. On January 1, 1978, the Federal Government assumed full responsibility for operating the program. FEMA established goals of making the NFIP self-supporting for the average loss year and re-involving the private sector in the NFIP. In 1983, the insurance industry was re-involved with the initiation of the Write-Your-Own program and since 1988, the program has been self-supporting for the historical average loss year. Along with these efforts, rates may be adjusted periodically to more closely reflect the actual risk.

a. Coverage. All existing buildings and their contents in communities where flood insurance is available, through either the Emergency or the Regular Program, are eligible for a first layer of coverage at subsidized premium rates. In Regular Program communities, a second layer of flood insurance coverage is available at actuarial rates on all properties, and full actuarial rates for both layers apply to all new construction or substantial improvements located in special flood hazard areas. A new actuarial rating system for construction in coastal high hazard areas commencing on or after October 1, 1981, was introduced.

Coverage is available for residential properties, business properties, churches, agricultural properties, properties occupied by private nonprofit organizations, and properties owned by local and State governments and agencies thereof. Only buildings and their contents are eligible for coverage.

b. Subsidized Premium Rates. The National Flood Insurance Act provides for the establishment of "chargeable" or subsidized premium rates designed to encourage the sale of flood insurance at less than full actuarial levels. These rates were increased for the first time during 1982. The 1973 Act provides that all flood insurance may be written at subsidized rates on construction in participating communities until December 31, 1974, or until the effective date of the Flood Insurance Rate Map (FIRM) with 100-year flood elevation data, whichever is later. Subsequent new construction and additional limits of coverage for existing construction are eligible for flood insurance only at actuarial rates.

The following table shows the current subsidized premium rates available under the Emergency Program and first layer coverage under the Regular Program:

LIMITS OF COVERAGE AND SUBSIDIZED RATES
(Per Unit)

TYPE OF STRUCTURE	STRUCTURE COVERAGE	RATE a/	CONTENTS COVERAGE	RATE a/
Single-family residential.....	$35,000	$0.55	$10,000	$0.65
Hawaii, Alaska, Guam, U.S. Virgin Islands............	50,000	0.55	...	...
All other residential.........	100,000	0.55	10,000	0.65
Hawaii, Alaska, Guam, U.S. Virgin Islands............	150,000	0.55	...	...
All non-residential b/........	100,000	0.65	100,000	1.30

a/ Rates per $100 of coverage.
b/ Includes hotels and motels with occupancy of less than six months.

c. Actuarial Rates. Studies and investigations of specific areas to determine flood risk are carried out in conjunction with several Federal agencies including the U.S. Army Corps of Engineers as well as State and local agencies, and private engineering firms. These studies establish risk zones and flood elevations which determine the appropriate actuarial rate to be charged. The full risk premium rates (i.e., actuarial rates), besides reflecting the expected annual damage, take into account all costs related to providing flood insurance.

Some sparsely populated special flood hazard areas, however, as well as flood risk zones outside the special flood hazard areas, do not warrant detailed studies to determine elevations. In these areas, actuarial zone rates, which establish rates by building type and occupancy but not elevation, are used. The rating of actuarial policies has been simplified to reduce the number of risk zones from 68 to 8.

d. Staffing. The staff to support the insurance operations and flood plain management of the NFIP were funded through a transfer of unobligated balance from the National Flood Insurance Fund (NFIF) to the FEMA Salaries and Expenses Appropriation beginning in 1987. For 1991, FEMA is also proposing that all administrative costs for this program be funded through a transfer of unobligated balance from the NFIF.

e. Program Financing. The instrument through which the Federal government fulfills its financial responsibilities is the National Flood Insurance Fund, which is financed by premium income, appropriations, and Treasury borrowings. The Director is authorized to borrow $500 million from the Treasury with an additional $500 million available with approval of the President and notification to Congress. Even though the Congress allowed a rate increase for 1989 of up to a prorated annual rate of 10 percent, no rate increase was implemented because the program had already achieved the Administration's goal of being self-supporting for the historical average loss year. No rate increases are planned for either 1990 or 1991. The impact of the erosion provision of Public Law 100-242 has not been included in the projection of required rate levels. The rates for actuarial rated policies will require adjustment to account for the additional policyholder benefits provided by this law, if it is permanently authorized. FEMA will continue to annually review program experience and, as necessary, adjust rates to maintain the NFIP's self-supporting status for the historical average loss year.

NATIONAL FLOOD INSURANCE FUND
Financial Transactions
(Dollars in Thousands)

	CUMULATIVE 9/30/88	1989 Actual	1990 Estimate	1991 Estimate
Number of Policies in Force	2,101,657	2,200,750	2,310,788	2,426,327
Amount of Insurance in Force	$169,444,907	$179,328,177	$192,061,145	$205,690,742
Program Costs, Funded:				
Agents Commissions and Taxes	422,384	17,209	14,453	14,606
Operating Expenses	392,602	19,707	32,000	32,000
WYO Expense Allowance (1)	266,540	112,540	151,242	168,866
Total Underwriting	1,081,526	149,456	197,695	215,472
Loss and Adjustment	2,894,432	533,857	281,063	324,397
Interest on Treasury Borrowing	186,748	21,155	...	...
Adjustment to Prior Years	97,661	...	...	...
Deferred Commissions	7,351	...	...	...
Depreciation Expense	7,930	...	...	...
Total Cost, Insurance Activities	4,275,648	704,468	478,758	539,869
Changes in Selected Resources	7,808	...	...	...
Total Obligations	4,283,456	704,468	478,758	539,869
Offsetting Collections, Received	-3,497,769	-548,183	-636,127	-675,039
Investment Income	-54,965	-61,490	-20,000	-20,000
Budget Authority	730,722	94,795	-177,370	-155,170
Cumulative Budget Authority (Net Federal Subsidy)	-730,722	-825,517	-648,147	-492,977
Transfer of Unobligated Balance (2)	-157,771	-53,378	-51,037	-56,101
Cumulative Appropriation	1,204,130	1,204,130	1,204,130	1,204,130
Unobligated Balance, End of Year	315,637	325,235	504,946	655,052

(1) Represents funds retained by private insurance companies participating in the Write-Your-Own Program for writing and servicing flood insurance policies.

(2) Flood Plain Management activities and Salaries and Expenses for Insurance Activities and Flood Plain Management are funded through a transfer of unobligated balance from the National Flood Insurance Fund.

3. **1989 Accomplishments**. No rate increase was required because the program achieved its goal of being self-supporting for the historical average loss year. The Write-Your-Own Program, whereby private insurers write and service flood insurance policies under their own names on a non-risk bearing basis, entered its sixth full year of operation in 1989. This program also allows the NFIP to utilize these insurers' existing policy bases to increase market penetration. By the end of the fiscal year, over 80 companies were actively writing in the program, with approximately 83% of the NFIP's policy base, representing over 1,800,000 policies. In addition, the following were accomplished:

- In conjunction with the Insurance Activities staff, a preferred risk policy and a condominium master policy were made available for sale.
- Worked with the Insurance Activities staff to develop a comprehensive marketing plan for all NFIP marketing activities.
- Completed the core of the enhanced actuarial information system.

4. **Changes from the 1990 Estimates**.

(Dollars in Thousands)

	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Policies in Force, End of Year:					
Number	2,200,750	2,317,077	2,310,788	2,426,327	115,539
Amount	$179,328,177	$205,963,000	$192,061,145	$205,696,742	$13,635,597
Flood Insurance Claims (amount)	533,857	365,062	281,063	324,397	43,334
Insurance Underwriting Expense	149,456	195,572	197,695	215,472	17,777
Premium Income	548,183	630,172	636,127	675,039	38,912
Budget Authority (appropriation)	...	...	...	...	...
Budget Outlays	-212,134	-39,677	-115,956	-160,349	-44,393

5. 1990 Program. No rate increase will be required, as the program has achieved its self-supporting goal. In 1990 FEMA will:

- Further develop the actuarial system to provide data for other research needs.
- In conjunction with Insurance Activities staff, work with WYO companies, agents, and lenders to develop sound approaches to effectively market the flood insurance program.
- Conduct workshops for agents and lenders throughout the country to increase awareness of the NFIP.
- Continue the claims reinspection program to ensure the proper adjustment and payment of claims.
- Continue using claims coordinating offices in coastal areas following hurricanes to coordinate the activities of WYO companies, the NFIP, and coastal windstorm associations to assure the efficient adjustment of losses and prevent duplicate assignment of losses.
- Continue to work toward implementation of the Community Rating System.

6. 1991 Program. FEMA will continue to service policyholders, utilizing the insurance component of the NFIP to further the goal of reducing flood damage. The program will be self-supporting for the historical average loss year and no rate increase is projected as long as losses do not exceed historical levels. Efforts at involving the private insurance industry more directly in the NFIP will continue. FEMA will also do the following:

- Utilize the results of the WYO program evaluation to reduce the cost of the WYO program and improve its effectiveness in achieving the NFIP's goals.
- Provide support during the initial implementation phase of the Community Rating System.
- Continue to work with the WYO companies, agents, and lenders to market the flood insurance program.
- Conduct workshops for agents and lenders throughout the country to increase awareness of the NFIP.
- Continue the claims reinspection program to ensure the proper adjustment and payment of claims.
- Continue using claims coordinating offices in coastal areas following hurricanes to coordinate the claims activities of WYO companies, the NFIP, and coastal windstorm associations to assure the efficient adjustment of losses and prevent duplicate assignment of losses.

User Fees: In keeping with the Administration's emphasis on the collection of user fees, the FEMA request proposes user fees for the recoupment of the costs of the Flood Insurance and Mitigation programs from policyholders. Revenues from these user fees are intended to be deposited in the National Flood Insurance Fund.

7. Outyear Implications. The projections for making the program self-supporting for the historical average loss year assume no borrowing authority will be required for each year through 1995.

8. Advisory and Assistance Services. None.

FEDERAL EMERGENCY MANAGEMENT AGENCY

BUDGET IN BRIEF
FISCAL YEAR 1991

FEDERAL EMERGENCY MANAGEMENT AGENCY
FY 1991 Budget in Brief
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FEDERAL EMERGENCY MANAGEMENT AGENCY
FY 1991 Budget in Brief
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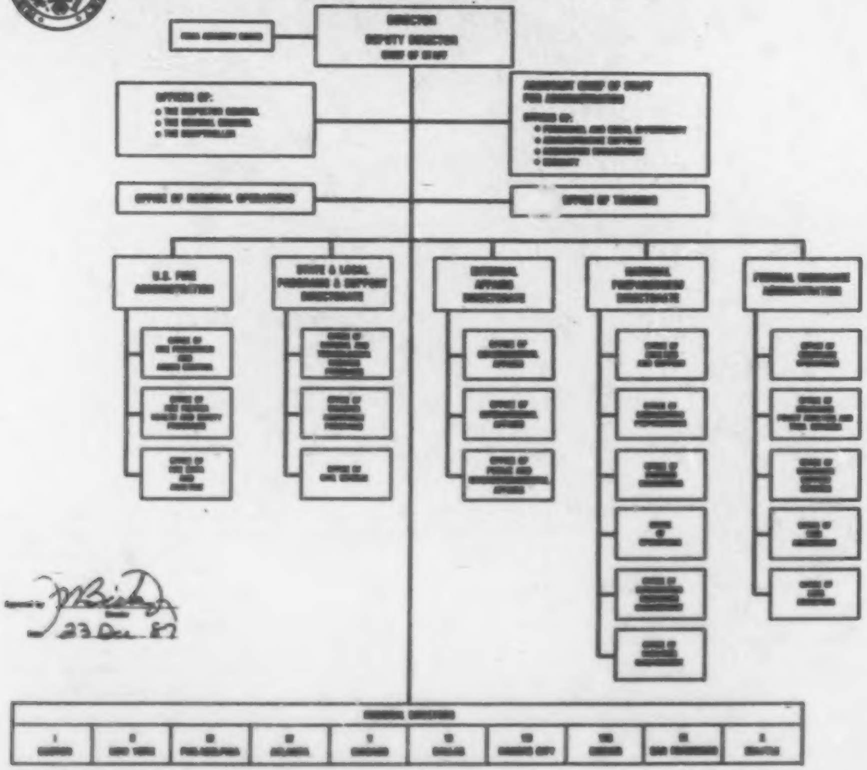
January 29, 1990

ORGANIZATION
FEDERAL EMERGENCY MANAGEMENT AGENCY


OFFICES OF:
U.S. FIRE ADMINISTRATION
STATE & LOCAL PROGRAMS & SUPPORT DIRECTORATE

23 Dec 87

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FEATURES OF THE 1991 REQUEST FOR THE FEDERAL EMERGENCY MANAGEMENT AGENCY

The Federal Emergency Management Agency carries out a wide range of program responsibilities for emergency planning, preparedness, response, and recovery, as well as hazard mitigation.

Continuing the trend of the past several years, FEMA's 1991 request, in general, maintains most programs at or below their 1990 enacted levels. Modest, specific increases in Civil Defense, the National Earthquake Program, and Management and Administration are partly offset by decreases in Federal Preparedness and the Training and Fire Programs. In its operating accounts, FEMA requests an overall increase of less than 2%, or $8 million, of which roughly 60% is for Salaries and Expenses. This increase includes funds to support FEMA's full complement of requested workyears, to provide for specific initiatives such as earthquake preparedness, and to partly offset uncontrollable cost increases, including GSA rent increases, the 3-month 1991 cost of the 1990 pay increase (not annualized into 1991), and half the estimated 1991 costs of 1991 pay increases for GS, GM, SES, and Executive level employees.

Changes to Structure: The 1991 request contains three fairly minor restructurings at the budget activity level. FEMA proposes to group the Hazardous Materials program with the Radiological Emergency Preparedness program into the budget activity Technological Hazards. This restructure is based on commonality of content, and will not affect the identity of either program. The budget activity previously named Earthquake and Other Hazards no longer includes the HAZMAT program, and has been renamed National Earthquake Program and Other Hazards. And the two budget activities funded by transfer of balances from the National Flood Insurance Fund have been combined into one activity, Flood Insurance and Mitigation, again with no impact on program identity.

"Base" for 1991: FEMA's 1991 request starts from a 1990 activity level adjusted downward by both the 1.55% across-the-board reduction and the full Gramm-Rudman-Hollings sequester. This base was then adjusted upwards to reflect non-pay inflation and part of the impact of the 1990 pay raise (consistent with the Administration's government-wide policy on the pay raise). Accommodating these reductions while, at the same time, adequately funding program priorities, required reordering of program and element resources within activity ceilings both in 1990 and 1991. The relationship between the 1991 base and 1990 current estimate is therefore less direct than in the past.

Highlights: In operating programs, increases in both staff and funding in the National Earthquake Program will expand FEMA's activities under that National Earthquake Hazards Reduction Plan, including the development of a program to identify, train, equip, and mobilize search and rescue teams at the State and local level, for response to extraordinary disasters. In Civil Defense, increases focus on provision of warning and communications equipment to States and localities, and on population protection. The request continues student travel and lodging stipends at the existing level, and increases funding for the Fire Prevention/Arson Control and Firefighter Health and Safety programs of the U. S. Fire Administration.

In the Inspector General appropriation, increases to both funding and staff levels are requested, reflecting the Administration's emphasis on Government management and integrity. The request assumes a "normal disaster year" (average of annual obligations, 1981 - 1988) for the Disaster Relief Fund, and therefore repeats the 1989 and 1990 requests for $270 million, a 77% decrease from the amount appropriated in 1990. The Emergency Food and Shelter request level is the uninflated 1991 base, as described above.

Civil Defense. FEMA's 1991 request for activities authorized under the Federal Civil Defense Act of 1950, as amended, totals 388 workyears and $154,117,000. This request level prioritizes the development of capabilities which will yield the highest lifesaving return: survivable crisis management and population protection. The Civil Defense program continues its emphasis on the development of dual-use capabilities and on the objectives of the program established in the 1987 Presidential directive.

National Earthquake Program and Other Hazards. This activity includes FEMA's lead-agency responsibilities under the National Earthquake Hazards Reduction Act, as well as smaller programs to support State and local development of capabilities to mitigate the hazards of, prepare for, and respond to hurricanes and unsafe dams. The request for 1991 totals $16,050,000 and 58 workyears, an increase of $4,366,000 and 12 workyears which will allow for enhancement of all FEMA NEHRP activities, including development of State and local search and rescue teams to be mobilized in response to extraordinary disaster.

Technological Hazards. This activity includes FEMA's two technological-hazards programs, Radiological Emergency Preparedness, which provides for the execution of FEMA's responsibilities in connection with off-site emergency planning around nuclear facilities, and Hazardous Materials, which provides for FEMA participation in interagency efforts toward improving Federal, State, and local response to hazardous materials incidents. The 1991 request totals 117 workyears and $11,262,000, which will allow for continued support to State and local governments in offsite emergency response planning around nuclear facilities in the REP program, and will provide modest increases for technical assistance and some exercise support to State and local governments in the HAZMAT program.

Federal Preparedness. These programs are designed to ensure that the Nation will be able to respond to, manage, and recover from domestic and national security emergencies. The 1991 request for this activity totals $160,275,000 and 977 workyears, a decrease of $1,221,000.

Training and Fire Programs. Resources of this activity prepare Federal, State, and local officials, their supporting staffs, emergency first responders, volunteer groups, and the public to meet the responsibilities and challenges of domestic emergencies through planning, mitigation, preparedness, response, and recovery. The 1991 request for this activity is for $21,542,000 and 109 workyears, an decrease of $2,611,000 and 3 workyears. The request features modest increases to two U. S. Fire Administration programs (Fire Prevention/Arson Control and Firefighter Health and Safety), continues student travel and lodging stipends at their current levels, and assumes no continuation of SARA Title III grant funding and associated workyears.

Flood Insurance and Mitigation. This activity includes both the Insurance Activities program, which provides the administrative resources for the National Flood Insurance Fund, and the Flood Plain Management program, which supports the mitigation of known flood hazards through identification of flood hazards and assistance to communities in the flood plain management activities necessary to reduce flood losses. Funding for this activity will be derived from a transfer of unobligated balances from the National Flood Insurance Fund. The 1991 request totals $56,100,000 and 203 workyears, an increase of $2,343,000 to restore funding for the Section 1362 Purchase of Property program.

Disaster Relief Administration. This activity provides the resources necessary to manage the Disaster Relief Fund. The 1991 request includes 233 workyears and $11,647,000, an increase of $393,000 over 1990.

Emergency Food and Shelter (S&E). This activity provides administrative costs for the Emergency Food and Shelter program. For 1991, 6 workyears and $240,000 are requested, a decrease of $3,000 from 1990.

Management and Administration. This activity provides administrative support for the Agency's programs, and pays for such common costs as rent, supplies, and telephone service. The 1991 request of $45,243,000 and 467 workyears includes increases to improve handicapped accessibility, to begin long-term improvement of the Agency's financial management systems, to allow for legal activities in the areas of subrogation, claims collection, and support to the FEMA Inspector General, and to implement a drug-testing program, as well as to pay for GSA rent increases.

Office of the Inspector General. This appropriation provides advice, assistance, and oversight on matters relating to economy and efficiency and the prevention and detection of fraud, abuse, and mismanagement in Agency programs and operations. The 1991 request of 60 workyears and $3,905,000 includes an increase of 13 workyears and $1,342,000 to support the expansion of duties inherent in the creation of a statutory FEMA Inspector General.

National Insurance Development Fund. This fund is the vehicle for funding the Federal Crime Insurance Program, which is currently authorized through September 30, 1991. Six workyears and $12,127,000 in borrowing authority are requested to support this program in 1991.

National Flood Insurance Fund. The National Flood Insurance Program enables property owners to purchase flood insurance otherwise unavailable in the commercial market. In return for the availability of insurance, communities agree to adopt and enforce flood plain management measures to reduce loss of life and property from future flooding. The program continues to be self-supporting for the average loss year.

Disaster Relief Fund. This fund provides the basis for the President to authorize Federal assistance, in accordance with the provisions of the Stafford Disaster Relief and Emergency Assistance Act, to individuals and to State and local jurisdictions where a major disaster or emergency has been declared. The 1991 request assumes a normal disaster year, and requests the eight-year average of annual obligations, based on the period 1981-1988, or a level of $270,000,000. This represents a prudent annual appropriation level for this fund, and is intended to provide for the expectable occurrence of non-catastrophic disasters and emergencies.

Emergency Food and Shelter. This program channels emergency support to the homeless through a National Board of major private charities. The 1991 request totals $124,991,000, a decrease of $5,101,000 from 1990.

User Fees: In keeping with the Administration's emphasis on the collection of user fees, the FEMA request proposes user fees in three areas. The full recoupment of direct expenses of the Radiological Emergency Preparedness program from the utility companies serviced in the licensing process is proposed, as is the recoupment of the costs of the Flood Insurance and Mitigation programs from policyholders. A partial user fee is proposed for students at the National Emergency Training Center, who would pay a student registration fee of $25 a week. Revenues from the student fees and REP direct costs are intended to be deposited directly in the Treasury; revenues from the Flood programs are intended to be deposited in the National Flood Insurance Fund.

Appropriations and Outlays

FEDERAL EMERGENCY MANAGEMENT AGENCY
Appropriation Overviews

Salaries and Expenses. This appropriation encompasses the salaries and expenses required to provide executive direction, overhead expenses such as rent, and administrative and staff support to FEMA's programs in both the Headquarters and field offices.

Emergency Management Planning and Assistance. This appropriation provides program resources for the following activities: Civil Defense, National Earthquake Program and Other Hazards, Technological Hazards, Federal Preparedness, and Training and Fire Programs.

Office of the Inspector General. This appropriation provides Agency-wide audit and investigative functions, to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement.

National Insurance Development Fund. This fund is used as the vehicle for the funding of the Federal Crime Insurance Program. It receives deposits from crime insurance premiums and other receipts.

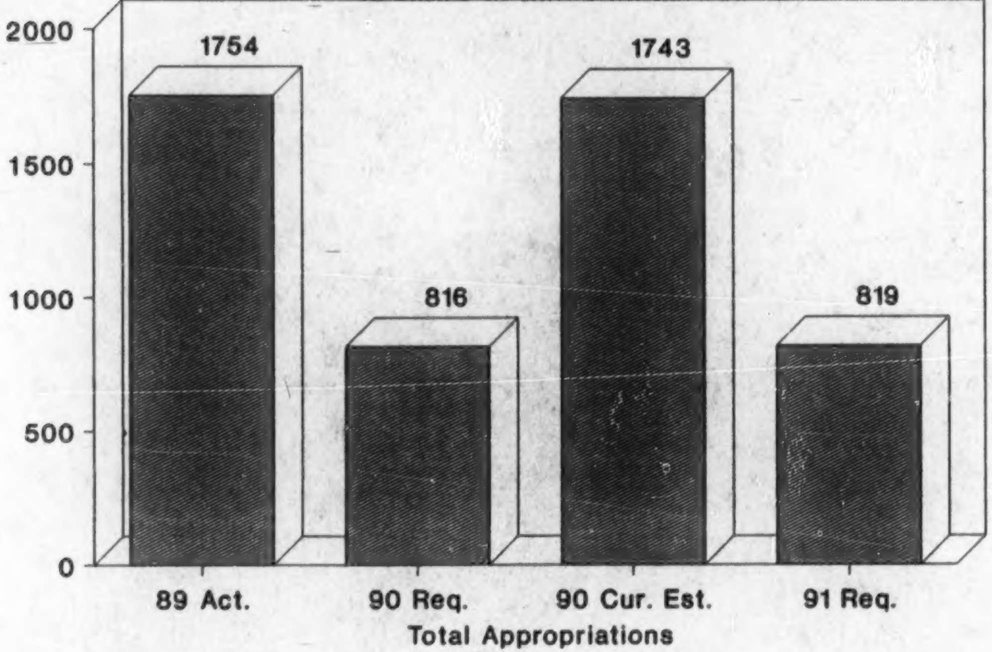
National Flood Insurance Fund. This fund is used as the funding mechanism for the National Flood Insurance Program (NFIP), which enables property owners to purchase flood insurance otherwise unavailable on the commercial market. In return for the availability of insurance, communities agree to adopt and enforce flood plain management measures. It also funds, through transfer of unobligated balances, the Flood Insurance and Mitigation programs which support both parts of this effort.

Disaster Relief. From this appropriation, supplementary assistance is provided to individuals and State and local governments in the event of a Presidentially-declared emergency or major disaster.

Emergency Food and Shelter. This appropriations provides grants through a National Board of major private charities to voluntary organizations at the local level to supplement their programs for emergency food and shelter for the homeless.

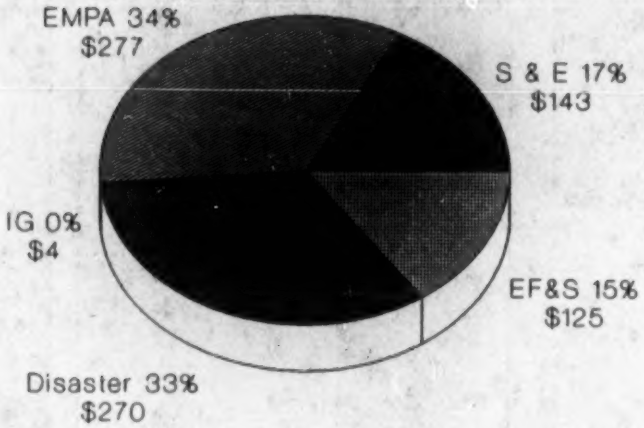
Comparison of Appropriation Levels
FY 1989 Through FY 1991

(Dollars in Millions)



FY 1991 Request by Appropriation

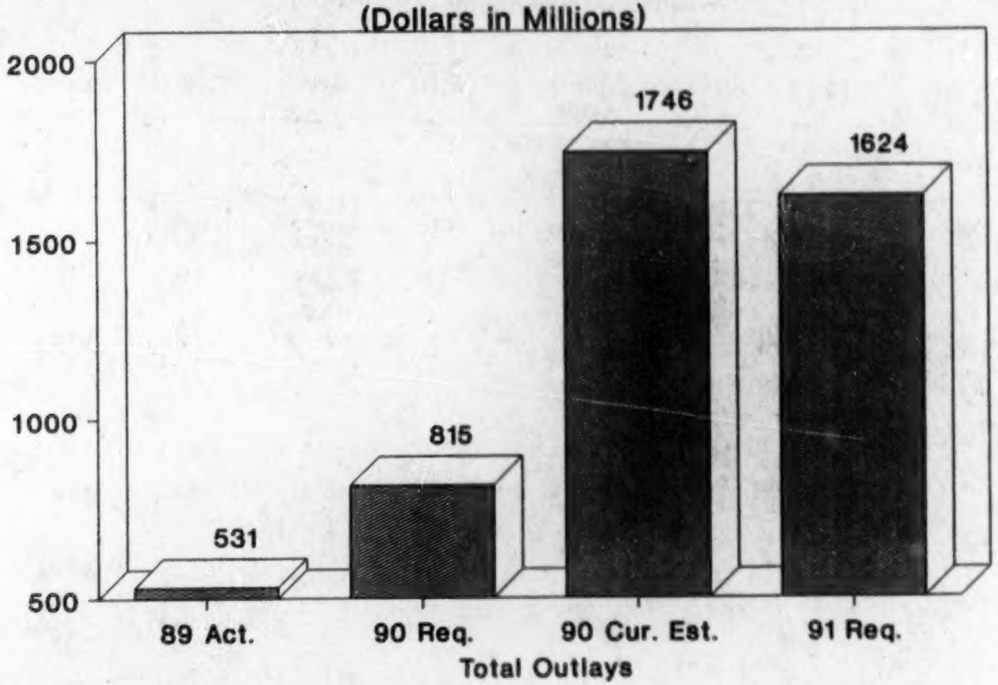
(Dollars in Millions)



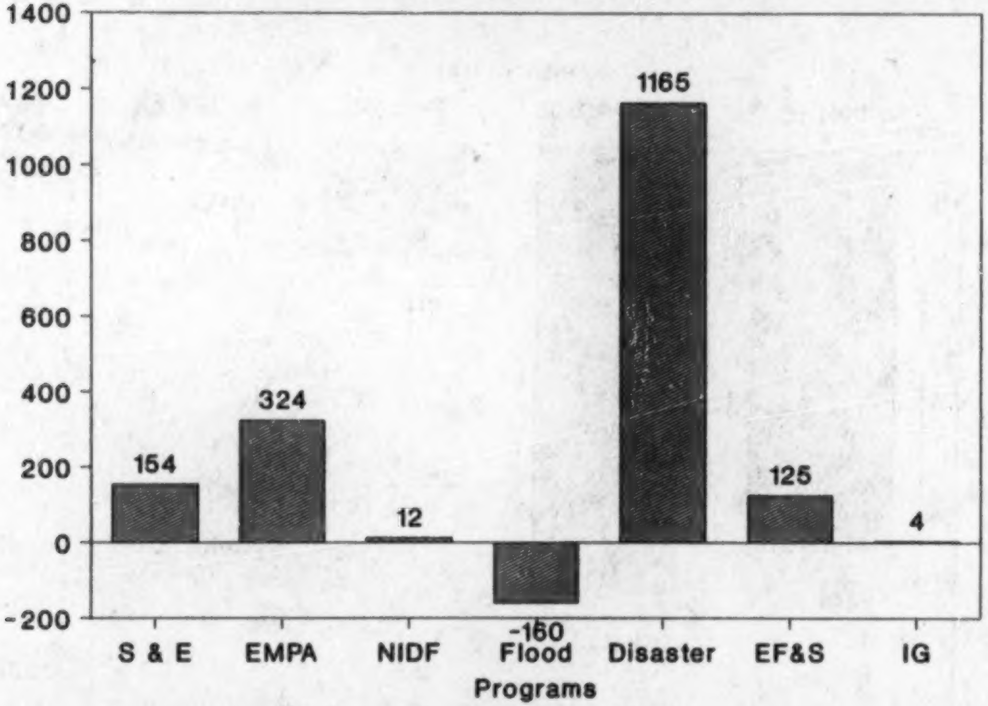
Appropriations ($819)

Comparison of Outlay Levels
FY 1989 Through FY 1991

(Dollars in Millions)



FY 1991 Outlays by Appropriation
(Dollars in Millions)



Total Outlays = $1,624

FEDERAL EMERGENCY MANAGEMENT AGENCY
Appropriation and Outlay Summary
(Dollars in Thousands)

APPROPRIATIONS

	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Salaries and Expenses	$137,274	$141,329	$138,572	$143,334	$4,762
Emergency Management Planning and Assistance	282,403	268,505	273,643	277,042	3,399
National Insurance Development Fund	...	...	...	...	...
National Flood Insurance Fund	...	...	...	...	...
Disaster Relief Fund	1,208,000	270,000	1,198,450	270,000	(928,450)
Emergency Food and Shelter	126,000	134,000	130,092	124,991	(5,101)
Office of the Inspector General	...	2,439	2,563	3,905	1,342
Total, Obligations	1,753,677	816,273	1,743,320	819,272	(924,048)

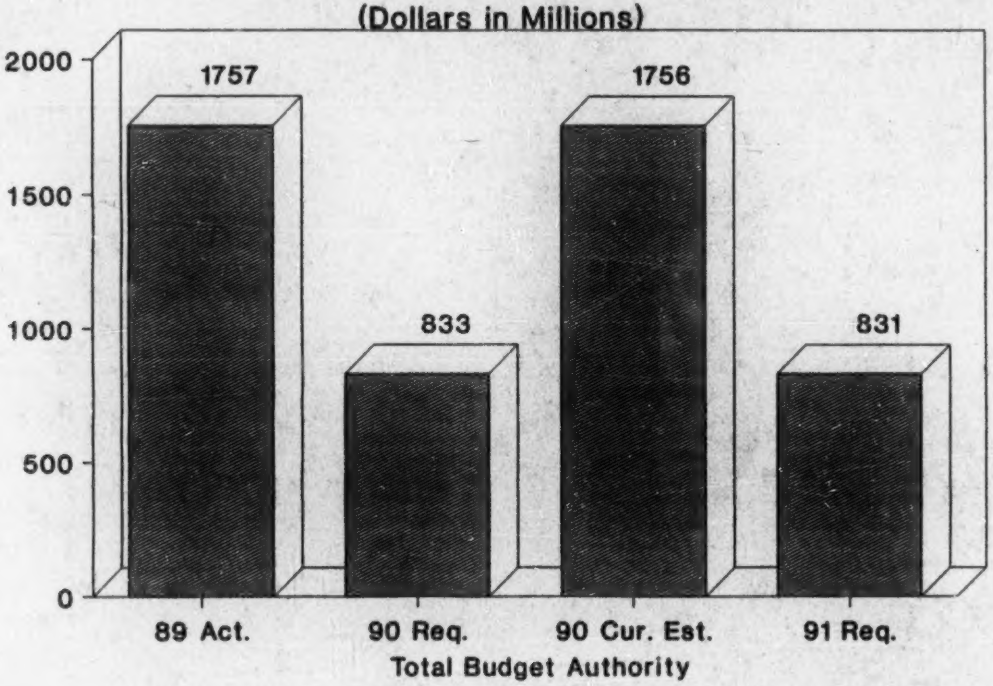
OUTLAYS

	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Salaries and Expenses	151,036	151,603	149,197	154,301	5,104
Emergency Management Planning and Assistance	313,822	313,239	320,829	323,894	3,065
National Insurance Development Fund	13,725	17,045	13,599	12,348	(1,251)
National Flood Insurance Fund	(212,134)	(39,697)	(115,956)	(160,349)	(44,393)
Disaster Relief Fund	140,316	236,000	1,240,000	1,164,865	(75,135)
Emergency Food and Shelter	124,663	134,000	136,474	124,991	(11,483)
Office of the Inspector General	...	2,438	2,358	3,798	1,440
Bequests and Gifts (Disaster Relief)	...	50	50	50	...
Gifts and Bequests, Fire Administration	...	...	1	...	(1)
Offsetting Receipts (Bequests and Gifts)	66	(58)	(38)	(71)	(33)
Total, Outlays	531,494	814,620	1,746,514	1,623,827	(122,687)

Total Budget Authority and Workyears

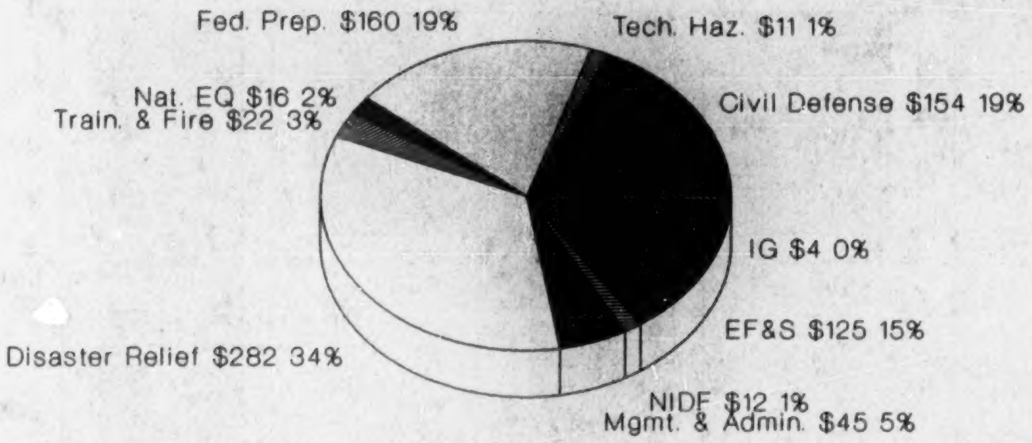
Comparison of Budget Authority Levels FY 1989 Through FY 1991

(Dollars in Millions)



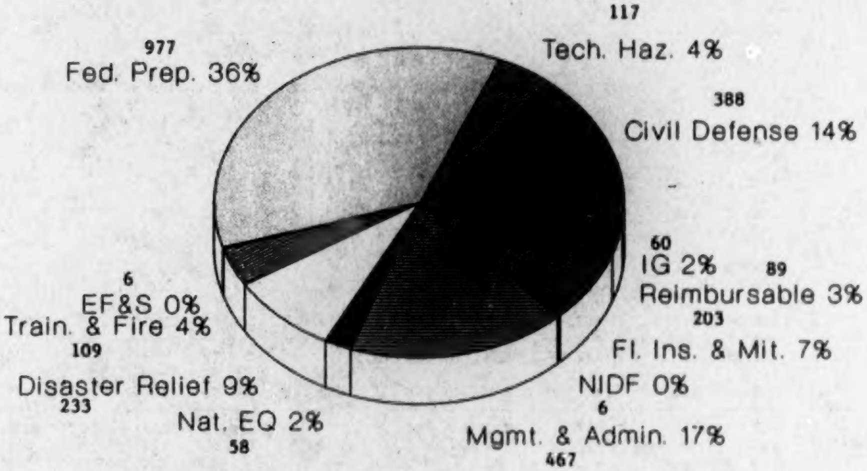
FY 1991 Budget Authority by Activity

(Dollars in Millions)



Total Budget Authority ($831)

FY 1991 FTE Workyears by Activity



Workyears (2,713)

FEDERAL EMERGENCY MANAGEMENT AGENCY
Budget Authority Summary by Program Structure
1991 versus 1990
(Dollars in Thousands)

	1990 Current Estimate				1991 Request				Changes (also see p. 16 & 17)			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Civil Defense..........................	388	$20,386	$128,911	$149,297	388	$21,131	$132,986	$154,117	...	$745	$4,075	$4,820
National Earthquake Prog. & Other Haz...	46	2,613	9,071	11,684	58	4,012	12,038	16,050	12	1,399	2,967	4,366
Technological Hazards..................	117	5,784	5,322	11,106	117	5,911	5,351	11,262	...	127	29	156
Federal Preparedness...................	977	50,046	111,450	161,496	977	49,898	110,377	160,275	...	(148)	(1,073)	(1,221)
Training and Fire Programs.............	112	5,264	18,889	24,153	109	5,252	16,290	21,542	(3)	(12)	(2,599)	(2,611)
Flood Insurance and Mitigation.........	203	*	*	*	203	*	*	*	...	*	*	*
Disaster Relief Administration (S&E)...	233	11,254	...	11,254	233	11,647	...	11,647	...	393	...	393
Emergency Food and Shelter (S&E).......	6	243	...	243	6	240	...	240	...	(3)	...	(3)
SUBTOTAL, EMERGENCY PLANNING, ASSISTANCE AND SUPPORT.............	2,082	95,590	273,643	369,233	2,091	98,091	277,042	375,133	9	2,501	3,399	5,900
Management and Administration..........	464	42,982	...	42,982	467	45,243	...	45,243	3	2,261	...	2,261
TOTAL, FEMA OPERATING ACCOUNTS.......	2,546	138,572	273,643	412,215	2,558	143,334	277,042	420,376	12	4,762	3,399	8,161
Office of the Inspector General........	47			2,563	60			3,905	13			1,342
National Insurance Development Fund....	6			13,133	6			12,127	...			(1,006)
National Flood Insurance Fund..........	...			...	...			...	...			...
Disaster Relief Fund...................	...			1,198,450	...			270,000	...			(928,450)
Emergency Food and Shelter.............	...			130,092	...			124,991	...			(5,101)
Bequests and Gifts (Disaster Relief)...	...			88	...			71	...			(17)
Offsetting Receipts....................	...			(88)	...			(71)	...			17
Reimbursable Workyears.................	65			...	89			...	24			...
TOTAL, FEMA APPROPRIATIONS...........	2,664			1,756,453	2,713			831,399	49			(925,054)

* An unobligated balance transfer from the National Flood Insurance Fund is distributed as follows:

	S&E	EMPA	TOTAL	S&E	EMPA	TOTAL	S&E	EMPA	TOTAL
Flood Insurance and Mitigation (transfer of unobligated balance..................	10,734	43,023	53,757	11,078	45,023	56,101	344	2,000	2,344

An additional $2,720,000 is available for obligation in Flood Insurance and Mitigation from funds which are available through 9/30/90.

EXPLANATION OF 1991 CHANGES

- o Civil Defense. The request includes a net increase of $4,820,000 over the 1990 Current Estimate, which includes an increase of $4,075,000 to continue implementation of the civil defense policy outlined in the Presidential directive of 1987, with emphasis on the population protection and survivable crisis management objectives of that policy.

- o National Earthquake Program and Other Hazards. The 1991 request moves the Hazardous Materials program out of this budget activity, and includes a net increase of 12 workyears and $4,366,000, to enhance FEMA's lead-agency activities under the National Earthquake Hazards Reduction Act, including creation of certified search and rescue teams at the State and local level.

- o Technological Hazards. For 1991, this activity includes the Radiological Emergency Preparedness program and the Hazardous Materials program. The request includes a net increase of $156,000, reflecting a decrease from the application of the 1991 "base" methodology to the REP program and an increase of $300,000 in the Hazardous Materials program for enhancement of technical assistance and information exchange activities.

- o Federal Preparedness. The request includes a net decrease of $1,221,000 for Federal level emergency preparedness.

- o Training and Fire Programs. This activity includes a net decrease of 3 workyears and $2,611,000. The reduction includes the elimination of SARA Title III training grants and associated workyears, as well as 1991 "base" reductions, offset by increases to the Fire Prevention/Arson Control and Firefighter Health and Safety programs of the U. S. Fire Administration.

- o Flood Insurance and Mitigation. This activity combines the previous activities Flood Plain Management and Insurance Activities, and will continue to be funded by a transfer of unobligated balance from the National Flood Insurance Fund. The 1991 request of 203 workyears and $56,101,000 in obligational authority includes a net increase of $2,000,000 for the restoration of funding for Purchase of Property, and an increase of $344,000 in Salaries and Expenses.

- o Disaster Relief Administration (S&E). The 1991 request for this activity includes an increase of $393,000 to adequately fund the level of effort necessary for this program in the aftermath of the Hurricane Hugo and Loma Prieta Earthquake disasters.

- Emergency Food and Shelter (S&E). The 1991 request includes a net decrease of $3,000, reflecting the partial offset of the decrease created by the 1991 "base" methodology by increases to partially fund 1990 and 1991 pay raises.

- Management and Administration. The 1991 request of 467 workyears and $45,243,000 includes increases to enhance legal activities in the areas of subrogation and support to the Inspector General, to improve the Agency's financial management systems, to remove architectural barriers to the disabled, to fund GSA rent increases, and to implement a drug-testing program.

- Office of the Inspector General. The 1991 request includes an increase of 13 workyears and $1,342,000 to provide for the expansion of duties inherent in the creation of a statutory FEMA Inspector General, and for improvements in agencywide audit and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste and mismanagement.

- National Insurance Development Fund. A reduction of $1,006,000 in borrowing authority in the 1991 request reflects the 1990 implementation of a Congressionally-authorized rate increase to reduce ongoing program losses.

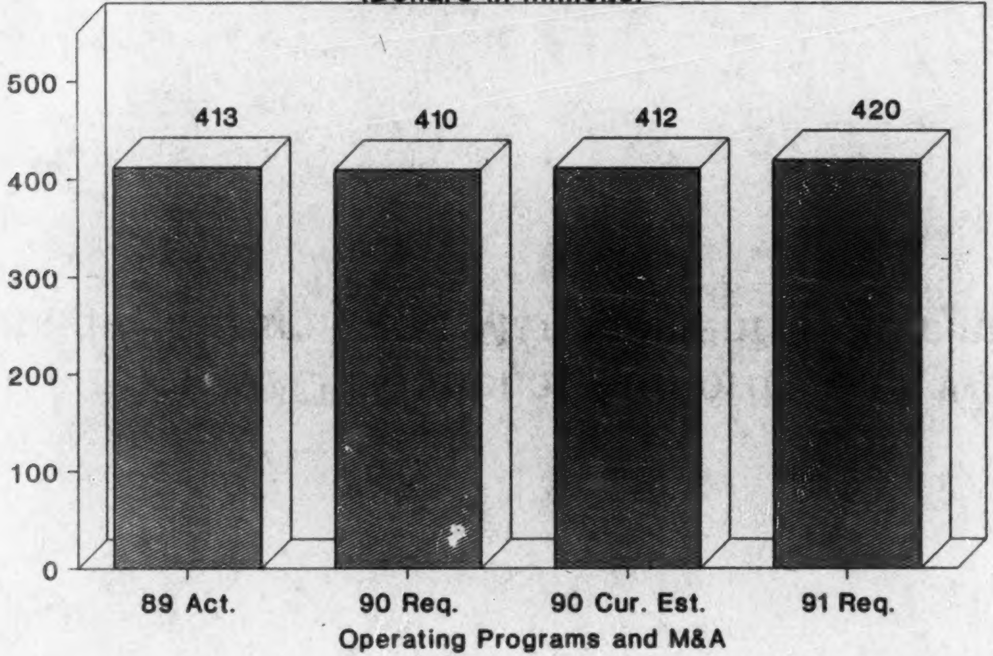
- National Flood Insurance Program. No change in borrowing authority is requested for 1991.

- Disaster Relief Fund. An appropriation of $270,000,000 is requested to address new disaster activity, a decrease of $928,450,000 from the amounts appropriated in 1990.

Budget Authority/Obligational Authority and Workyears
Operating Programs and Management & Administration

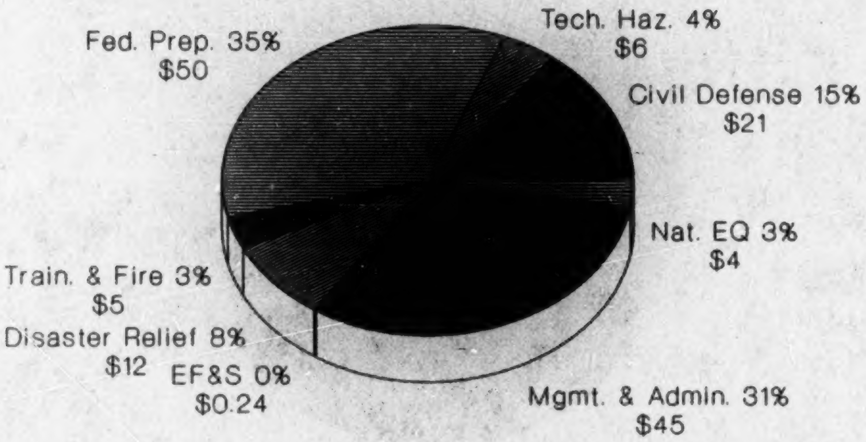
Comparison of Budget Authority Levels FY 1989 Through FY 1991

(Dollars in Millions)



FY 1991 S&E Budget Authority by Activity

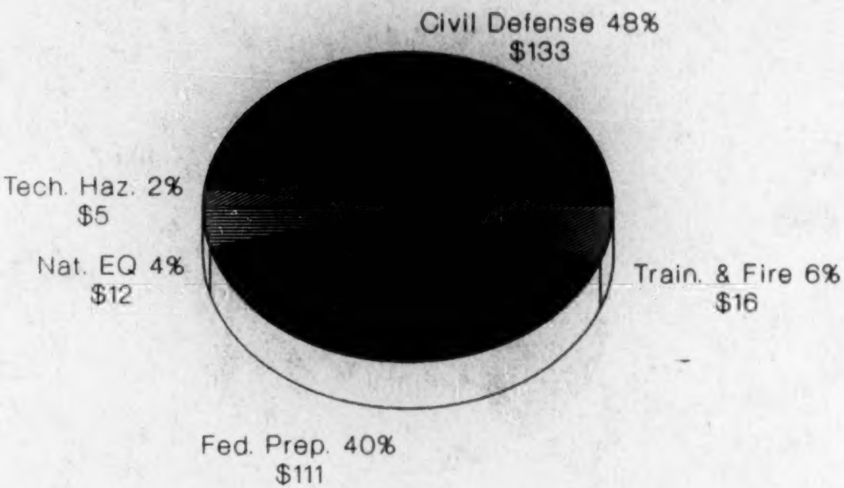
(Dollars in Millions)



Salaries and Expenses ($143)

1991 EMPA Budget Authority by Activity

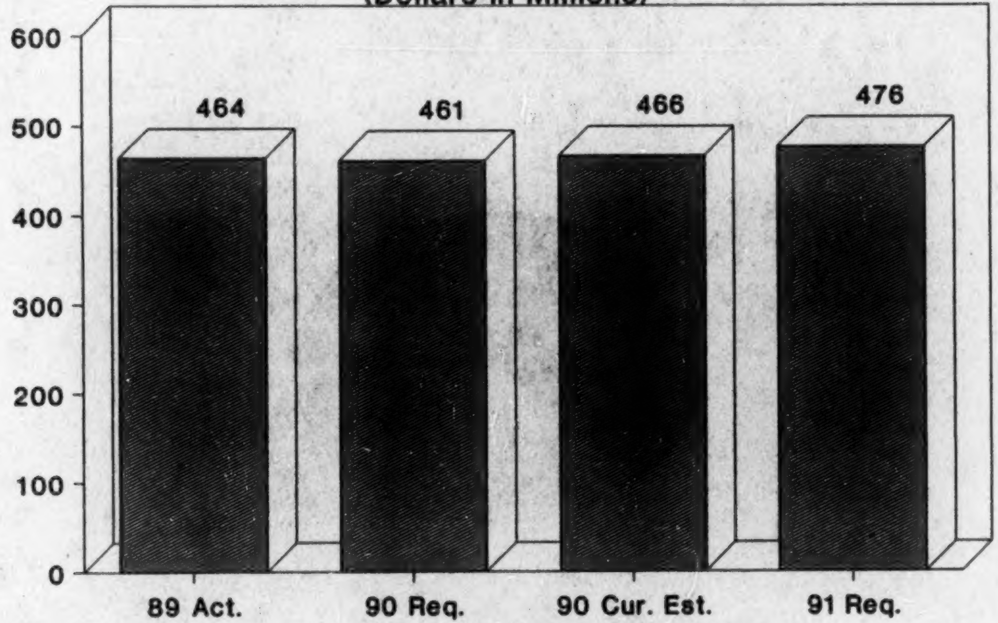
(Dollars in Millions)



Emergency Mgmt. Plann. & Assist. ($277)

Comparison of Oblig. Authority Levels
FY 1989 Through FY 1991

(Dollars in Millions)

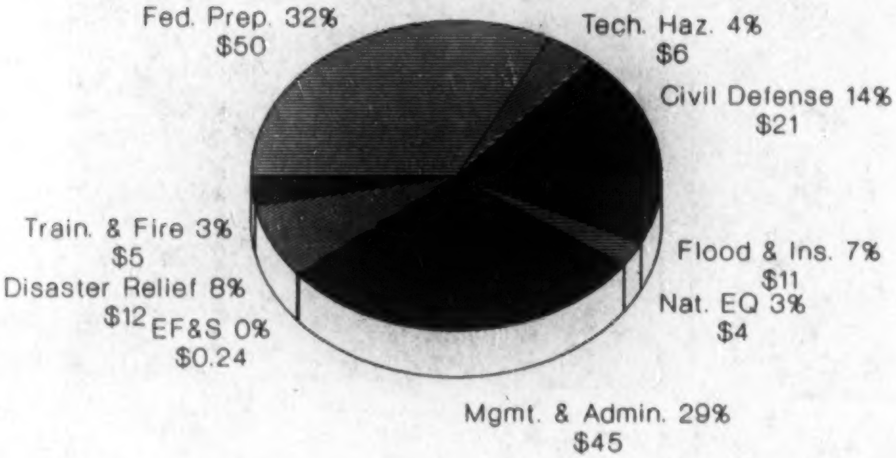


Operating Programs and M&A

(Includes Flood Plain & Ins. Activities)

FY 1991 S&E Obligations by Activity
(Includes Flood Plain & Insurance Acts.)

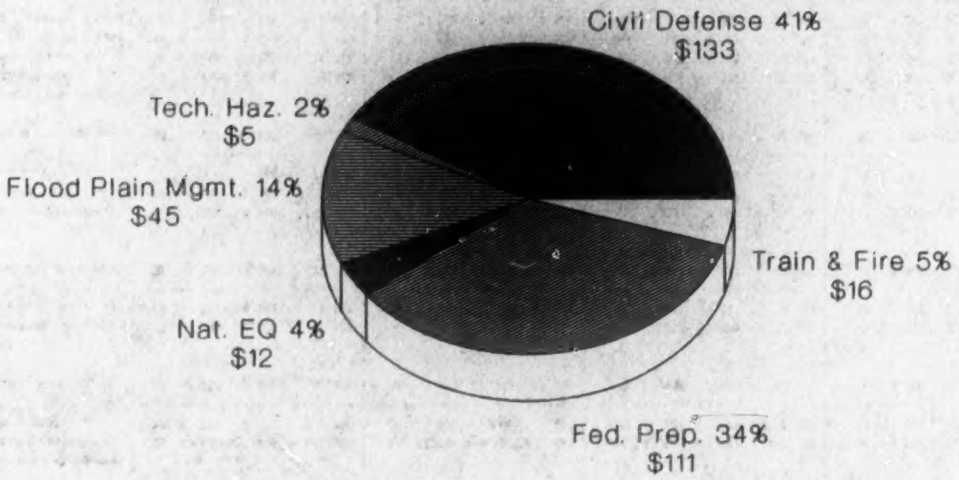
(Dollars in Millions)



Salaries and Expenses ($154)

1991 EMPA Obligational Auth. by Activity (Includes Flood Plain Management)

(Dollars in Millions)



Emergency Mgmt. Plann. & Assist. ($322)

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Request to Congress by Program
(Dollars in Thousands)

	1989 Actual				1990 Request				1990 Second Operating Plan				1991 Request				Increase/Decrease			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Civil Defense																				
A. State and Local Emergency Management																				
1. Emergency Management Assistance..	53	$2,690	$58,116	$60,806	54	$2,744	$59,123	$61,867	54	$2,954	$60,182	$63,136	54	$2,962	$60,128	$63,090	0	$8	($54)	($46)
2. Other S&L Emergency Mgmt..........	15	761	2,129	2,890	20	954	2,500	3,454	20	1,027	2,279	3,306	20	1,098	2,160	3,258	0	71	(119)	(48)
Subtotal, S&L Emerg. Mgmt.........	68	3,451	60,245	63,696	74	3,698	61,623	65,321	74	3,981	62,461	66,442	74	4,060	62,288	66,348	0	79	(173)	(94)
B. Radiological Defense																				
1. Planning & Development............	5	225	2,896	3,121	5	257	3,067	3,324	5	257	3,006	3,263	5	273	3,006	3,279	0	16	0	16
2. Instrumentation...................	18	812	8,799	9,611	18	924	9,700	10,624	18	927	8,217	9,144	18	992	8,999	9,991	0	65	782	847
Subtotal, Radiological Defense...	23	1,037	11,695	12,732	23	1,181	12,767	13,948	23	1,184	11,223	12,407	23	1,265	12,005	13,270	0	81	782	863
C. Population Protection																				
1. Population Protection Planning...	59	2,874	8,240	11,114	61	3,104	8,400	11,504	61	3,385	7,957	11,342	61	3,333	8,400	11,733	0	(52)	443	391
2. Facility Survey, Eng. & Dev......	29	1,412	3,749	5,161	29	1,502	3,918	5,420	29	1,636	2,878	4,514	29	1,556	3,918	5,474	0	(80)	1,040	960
3. Family Protection................	0	0	510	510	0	0	525	525	0	0	278	278	0	0	525	525	0	0	247	247
Subtotal, Population Protection..	88	4,286	12,499	16,785	90	4,606	12,843	17,449	90	5,021	11,113	16,134	90	4,889	12,843	17,732	0	(132)	1,730	1,598
D. S & L Direction, Control and Warning																				
1. Emergency Operating Centers......	15	748	4,720	5,468	15	804	5,000	5,804	15	804	4,824	5,628	15	831	5,000	5,831	0	27	176	203
2. State & Local Wrng. & Com. Sys...	10	499	859	1,358	10	519	1,150	1,669	10	518	1,116	1,634	10	546	3,150	3,696	0	28	2,034	2,062
3. Emrg. Broadcast Sys. Guid. & Asst	10	499	3,660	4,159	10	545	5,061	5,606	10	545	3,807	4,352	10	576	3,700	4,276	0	31	(107)	(76)
4. Other S&L Direct., Control & Wrng	4	200	1,461	1,661	5	260	2,100	2,360	5	260	1,908	2,168	5	273	3,000	3,273	0	13	1,092	1,105
Subtotal, S&L Dir., Cntrl. & Wrng	39	1,946	10,700	12,646	40	2,128	13,311	15,439	40	2,127	11,655	13,782	40	2,226	14,850	17,076	0	99	3,195	3,294

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FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Request to Congress by Program
(Dollars in Thousands)

	1989 Actual				1990 Request				1990 Second Operating Plan				1991 Request				Increase/Decrease			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
E. Research																				
1. Research..........................	0	$0	$0	$0	0	$0	$0	$0	0	$0	$0	$0	0	$0	$0	$0	0	$0	$0	$0
2. Systems Development..............	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Systems Development..............	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Policy and Planning..............	9	406	581	987	10	587	600	1,187	10	621	543	1,164	10	611	600	1,211	0	(10)	57	47
Subtotal, Research...............	9	406	581	987	10	587	600	1,187	10	621	543	1,164	10	611	600	1,211	0	(10)	57	47
F. Training and Education																				
1. Instructional Progs. & Materials.	5	225	641	866	5	283	871	1,154	5	277	816	1,093	5	290	700	990	0	13	(116)	(103)
2. Training Field Deployment Systems	17	764	5,451	6,215	17	915	5,700	6,615	17	897	5,600	6,497	17	996	5,444	6,440	0	99	(156)	(57)
3. Resident Programs................	23	1,035	1,828	2,863	23	1,255	1,499	2,754	23	1,230	1,698	2,928	23	1,332	1,743	3,075	0	102	45	147
4. NETC Site Administration.........	16	719	1,830	2,549	0	0	0	0	16	638	1,713	2,351	16	568	1,750	2,318	0	(70)	37	(33)
5. Emergency Public Information.....	0	0	1,546	1,546	1	43	1,815	1,858	1	42	1,478	1,520	1	55	1,315	1,370	0	13	(163)	(150)
Subtotal, Training & Education...	61	2,743	11,296	14,039	46	2,496	9,885	12,381	62	3,084	11,305	14,389	62	3,241	10,972	14,213	0	157	(333)	(176)
G. Telecommunications and Warning																				
1. National Warning System..........	19	780	5,973	6,753	20	966	7,552	8,518	20	952	7,245	8,197	20	1,073	7,500	8,573	0	121	255	376
2. Washington Area Warning System...	1	41	565	606	1	51	151	202	1	50	500	550	0	0	0	0	(1)	(50)	(500)	(550)
3. FEMA Switched Network............	12	493	3,425	3,918	15	677	3,623	4,300	15	668	3,476	4,144	16	860	3,164	4,024	1	192	(312)	(120)
4. FEMA National Radio System.......	25	1,027	4,154	5,181	25	1,253	3,988	5,241	25	1,236	3,476	4,712	25	1,372	3,450	4,822	0	136	(26)	110
5. Information Systems Support Serv.	13	534	2,799	3,333	14	703	2,800	3,503	14	693	4,290	4,983	14	754	3,624	4,378	0	61	(666)	(605)
6. U.S. Army Civil Prepdns. Detach..	5	205	1,045	1,250	5	232	1,045	1,277	5	229	1,002	1,231	5	274	1,045	1,319	0	45	43	88
7. DOD Reimbursable Support.........	0	0	621	621	0	0	645	645	0	0	622	622	0	0	645	645	0	0	23	23
Subtotal, Tele. & Warning........	75	3,080	18,582	21,662	80	3,882	19,804	23,686	80	3,828	20,611	24,439	80	4,333	19,428	23,761	0	505	(1,183)	(678)
H. Automatic Data Processing (S&E).....	9	1,679	0	1,679	9	2,124	0	2,124	9	540	0	540	9	506	0	506	0	(34)	0	(34)
Subtotal, Civil Defense............	372	18,628	125,598	144,226	372	20,702	130,833	151,535	388	20,386	128,911	149,297	388	21,131	132,986	154,117	0	745	4,075	4,820

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Request to Congress by Program
(Dollars in Thousands)

	1989 Actual				1990 Request				1990 Second Operating Plan				1991 Request				Increase/Decrease			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Nat'l Earthquake Program & Other Hazards																				
A. National Earthquake Program..........	23	$1,368	$4,432	$5,800	23	$1,603	$4,030	$5,633	23	$1,562	$7,547	$9,109	35	$2,910	$10,510	$13,420	12	$1,348	$2,963	$4,311
B. Hurricane............................	5	241	896	1,137	5	247	831	1,078	5	244	871	1,115	5	251	896	1,147	0	7	25	32
C. Dam Safety...........................	3	125	432	557	3	129	432	561	3	125	420	545	3	131	432	563	0	6	12	18
D. Hazard Mitigation Assistance.........	2	96	190	286	2	100	200	300	2	98	233	331	2	101	200	301	0	3	(33)	(30)
E. Policy and Planning..................	12	598	0	598	13	603	0	603	13	584	0	584	13	619	0	619	0	35	0	35
Subtotal, EQ & Other Hazards........	45	2,428	5,950	8,378	46	2,682	5,493	8,175	46	2,613	9,071	11,684	58	4,012	12,038	16,050	12	1,399	2,967	4,366
Technological Hazards																				
A. Radiological Emergency Preparedness..	78	3,802	4,924	8,726	94	4,431	5,688	10,119	95	4,718	5,031	9,749	95	4,800	4,760	9,560	0	82	(271)	(189)
B. Hazardous Materials..................	15	683	199	882	15	752	200	952	22	1,066	291	1,357	22	1,111	591	1,702	0	45	300	345
Subtotal, Tech Hazards..............	93	4,485	5,123	9,608	109	5,183	5,888	11,071	117	5,784	5,322	11,106	117	5,911	5,351	11,262	0	127	29	156
Federal Preparedness																				
A. Government Preparedness																				
1. Government Preparedness..........	812	44,945	123,539	168,484	901	46,649	109,306	155,955	901	45,798	107,582	153,380	901	45,669	106,447	152,116	0	(129)	(1,135)	(1,264)
Subtotal, Govt. Preparedness.....	812	44,945	123,539	168,484	901	46,649	109,306	155,955	901	45,798	107,582	153,380	901	45,669	106,447	152,116	0	(129)	(1,135)	(1,264)
B. Emerg. Info. & Coordination Center																				
1. EICC.............................	6	178	470	648	8	307	500	807	8	303	492	795	8	365	500	865	0	62	8	70
Subtotal, EICC....................	6	178	470	648	8	307	500	807	8	303	492	795	8	365	500	865	0	62	8	70
C. Mobilization Preparedness																				
1. Mobilization Resources...........	13	735	672	1,407	14	795	750	1,545	14	783	738	1,521	14	805	750	1,555	0	22	12	34
2. Mobilization Systems.............	11	718	449	1,167	12	782	501	1,283	12	770	493	1,263	12	694	501	1,195	0	(76)	8	(68)
3. Mobilization Assessment..........	13	610	878	1,488	13	662	980	1,642	13	652	965	1,617	13	740	980	1,720	0	88	15	103
Subtotal, Mobilization Prep......	37	2,063	1,999	4,062	39	2,239	2,231	4,470	39	2,205	2,196	4,401	39	2,239	2,231	4,470	0	34	35	69

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Request to Congress by Program
(Dollars in Thousands)

	1989 Actual				1990 Request				1990 Second Operating Plan				1991 Request				Increase/Decrease			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
D. Federal Readiness & Coordination																				
1. National Security Emergency Prep.	6	$240	$0	$240	6	$240	$0	$240	6	$236	$0	$236	6	$334	$0	$334	0	$98	$0	$98
2. Plans & Authorities	13	770	448	1,218	14	868	500	1,368	14	855	492	1,347	14	784	500	1,284	0	(71)	8	(63)
3. Exercises	7	497	626	1,123	8	607	699	1,306	8	598	688	1,286	8	451	699	1,150	0	(147)	11	(136)
4. Nat. Defense Executive Reserve	1	51	0	51	1	51	0	51	1	51	0	51	1	56	0	56	0	5	0	5
Subtotal, Mobilization Prep.	27	1,558	1,074	2,632	29	1,766	1,199	2,965	29	1,740	1,180	2,920	29	1,625	1,199	2,824	0	(115)	19	(96)
Subtotal, Federal Preparedness	882	48,744	127,082	175,826	977	50,961	113,236	164,197	977	50,046	111,450	161,496	977	49,898	110,377	160,275	0	(148)	(1,073)	(1,221)
Training and Fire Programs																				
A. Emergency Management Institute																				
1. Instructional Progs. & Materials.	0	0	1,058	1,058	0	0	1,165	1,165	0	0	1,211	1,211	0	0	1,188	1,188	0	0	(23)	(23)
2. Training Field Deployment Systems	0	0	639	639	0	0	694	694	3	118	4,390	4,508	0	0	820	820	(3)	(118)	(3,570)	(3,688)
3. Resident Programs	7	390	1,094	1,484	9	415	740	1,155	9	409	1,186	1,595	9	396	1,062	1,458	0	(13)	(124)	(137)
4. NETC Site Administration	0	0	312	312	0	0	0	0	0	0	194	194	0	0	204	204	0	0	10	10
Subtotal, EMI	7	390	3,103	3,493	9	415	2,599	3,014	12	527	6,981	7,508	9	396	3,274	3,670	(3)	(131)	(3,707)	(3,838)
B. National Fire Academy																				
1. Instructional Progs. & Materials.	5	239	727	966	5	273	790	1,063	5	269	1,341	1,610	15	616	1,501	2,117	10	347	160	507
2. Training Field Deployment Systems	8	383	1,354	1,737	8	437	1,686	2,123	9	480	904	1,384	9	385	770	1,155	0	(95)	(134)	(229)
3. Resident Programs	28	1,342	1,998	3,340	28	1,317	930	2,247	28	1,297	1,976	3,273	23	990	2,155	3,145	(5)	(307)	179	(128)
4. NETC Site Administration	34	1,628	2,776	4,404	0	0	0	0	34	1,607	2,971	4,578	29	1,653	2,804	4,457	(5)	46	(167)	(121)
Subtotal, NFA	75	3,592	6,855	10,447	41	2,027	3,406	3,433	76	3,653	7,192	10,845	76	3,644	7,230	10,874	0	(9)	38	29

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Request to Congress by Program
(Dollars in Thousands)

	1989 Actual				1990 Request				1990 Second Operating Plan				1991 Request				Increase/Decrease			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
C. U.S. Fire Administration																				
1. Fire Prevention and Arson Control	4	$206	$2,846	$3,052	2	$90	$500	$590	8	$316	$2,900	$3,216	7	$350	$3,258	$3,608	(1)	$34	$358	$392
2. Fed. Fire Policy & Coordination..	5	258	335	593	6	293	350	643	6	316	343	659	7	364	345	709	1	48	2	50
3. Firefighter Health and Safety....	3	155	345	500	4	196	400	596	4	271	404	675	6	299	1,099	1,398	2	28	695	723
4. Fire Data and Analysis...........	6	309	893	1,202	6	324	900	1,224	6	181	874	1,055	4	199	887	1,086	(2)	18	13	31
5. NETC Site Administration.........	0	0	200	200	0	0	0	0	0	0	195	195	0	0	197	197	0	0	2	2
Subtotal, USFA....................	18	928	4,619	5,547	18	903	2,150	3,053	24	1,084	4,716	5,800	24	1,212	5,786	6,998	0	128	1,070	1,198
D. NETC Site Administration																				
1. Site Administration..............	0	0	0	0	50	2,281	4,900	7,181	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal, Training & Fire Programs..	100	4,910	14,577	19,487	118	5,626	13,055	18,681	112	5,264	18,889	24,153	109	5,252	16,290	21,542	(3)	(12)	(2,599)	(2,611)
Flood Insurance and Mitigation **																				
A. Flood Plain Management **																				
1. Flood Studies and Surveys..........	57	2,795	36,546	39,341	58	(2,851)	(36,283)	(39,134)	58	(2,851)	(36,283)	(39,134)	58	(2,938)	(36,283)	(39,221)	0	(87)	0	(87)
2. Flood Hazard Reduction.............	84	4,120	3,778	7,898	85	(4,176)	(4,020)	(8,196)	85	(4,176)	(4,020)	(8,196)	85	(4,293)	(4,020)	(8,313)	0	(117)	0	(117)
3. Purchase of Property...............	6	294	929	1,223	6	(294)	0	(294)	6	(294)	(2,720)	(3,014)	6	(303)	(4,720)	(5,023)	0	(9)	(2,000)	(2,009)
Subtotal, Flood Plain Management....	147	7,209	41,253	48,462	149	(7,321)	(40,303)	(47,624)	149	(7,321)	(43,023)	(50,344)	149	(7,534)	(45,023)	(52,557)	0	(213)	(2,000)	(2,213)
B. Insurance Activities (S&E).**........	50	2,955	0	2,955	54	(3,413)	0	(3,413)	54	(3,413)	0	(3,413)	54	(3,544)	0	(3,544)	0	(131)	0	(131)
Subtotal, Flood Ins & Mitigation.**..	197	10,164	41,253	51,417	203	(10,734)	(40,303)	(51,037)	203	(10,734)	(43,023)	(53,757)	203	(11,078)	(45,023)	(56,101)	0	(344)	(2,000)	(2,344)
Disaster Relief Administration (S&E)...	221	10,274	0	10,274	233	10,373	0	10,373	233	11,254	0	11,254	233	11,647	0	11,647	0	393	0	393
Emergency Food & Shelter (S&E).........	4	140	0	140	6	250	0	250	6	243	0	243	6	240	0	240	0	(3)	0	(3)
SUBTOTAL, EMERG. PLNG. ASSIST. & SUP...	1,914	99,773	319,583	419,356	2,064	95,777	268,505	364,282	2,082	95,590	273,643	369,233	2,091	98,091	277,042	375,133	9	2,501	3,399	5,900
Management and Administration..........	475	44,686	0	44,686	465	45,552	0	45,552	464	42,982	0	42,982	467	45,243	0	45,243	3	2,261	0	2,261
TOTAL, FEMA OPERATING PROGRAMS AND MANAGEMENT & ADMINISTRATION....	2,389	144,459	319,583	464,042	2,529	141,329	268,505	409,834	2,546	138,572	273,643	412,215	2,558	143,334	277,042	420,376	12	4,762	3,399	8,161

** Flood programs dollar figures are shown in parentheses for 1990 and 1991 for comparison purposes, and are not included in totals.

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Request to Congress by Program
(Dollars in Thousands)

	1989 Actual				1990 Request				1990 Second Operating Plan				1991 Request				Increase/Decrease			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Management and Administration																				
A. Office of the Director	6	$362	$0	$362	6	$490	$0	$490	6	$479	$0	$479	6	505	0	$505	0	26	0	$26
B. General Counsel	20	1,165	0	1,165	21	1,252	0	1,252	20	1,207	0	1,207	23	1,630	0	1,630	3	423	0	423
C. Inspector General	42	2,185	0	2,185	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D. Chief of Staff's Office	4	262	0	262	5	299	0	299	13	680	0	680	5	317	0	317	(8)	(363)	0	(363)
E. Security	15	1,392	0	1,392	15	1,309	0	1,309	15	1,295	0	1,295	15	1,311	0	1,311	0	16	0	16
F. Acquisition Management	33	1,680	0	1,680	37	1,706	0	1,706	37	1,666	0	1,666	37	1,687	0	1,687	0	21	0	21
G. Personnel & Equal Opportunity	66	2,980	0	2,980	83	3,837	0	3,837	89	4,371	0	4,371	89	4,949	0	4,949	0	578	0	578
H. Comptroller	88	4,746	0	4,765	91	4,590	0	4,590	77	3,444	0	3,664	77	4,465	0	4,445	0	801	0	801
I. Program Analysis and Evaluation													8	306	0	386	8	306	0	386
J. Administrative Support Staff	58	2,176	0	2,176	61	2,205	0	2,205	61	2,182	0	2,182	61	2,217	0	2,217	0	35	0	35
K. Other Administrative Expenses																				
1. RENT	0	8,932	0	8,932	0	10,157	0	10,157	0	9,096	0	9,096	0	9,400	0	9,400	0	306	0	386
2. Other	0	4,314	0	4,314	0	4,493	0	4,493	0	3,570	0	3,570	0	3,570	0	3,570	0	0	0	0
L. Information Services																				
1. Information Systems	15	860	0	860	16	1,022	0	1,022	16	1,011	0	1,011	16	1,020	0	1,020	0	9	0	9
2. Administrative Telephones	0	2,655	0	2,655	0	2,675	0	2,675	0	2,646	0	2,646	0	2,646	0	2,646	0	0	0	0
3. Office Automation	0	539	0	539	0	539	0	539	0	234	0	234	0	234	0	234	0	0	0	0
M. Regional Operations	5	260	0	260	5	287	0	287	5	284	0	284	5	287	0	287	0	3	0	3
N. External Affairs	18	1,391	0	1,391	20	1,321	0	1,321	20	1,427	0	1,427	20	1,336	0	1,336	0	(91)	0	(91)
O. Regional Executive Direction	103	8,009	0	8,009	105	9,372	0	9,372	105	9,172		9,172	105	9,283	0	9,283	0	111	0	111
Subtotal, Management & Admin.	475	44,686	0	44,686	468	45,552	0	45,552	464	42,982	0	42,982	467	45,243	0	45,243	3	2,261	0	2,261

FEDERAL EMERGENCY MANAGEMENT AGENCY
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	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Disaster Relief Fund....................	0			$1,208,000	0			$270,000	0			$1,198,450	0			$270,000	0			($928,450)
Inspector General.......................	0			0	45			2,439	47			2,563	60			3,905	13			1,342
Emergency Food and Shelter..............	0			126,000	0			134,000	0			130,092	0			124,991	0			(5,101)
National Insurance Development Fund.....	6			15,465	6			17,222	6			13,133	6			12,127	0			(1,006)
National Flood Insurance Fund...........	0			0	0			0	0			0	0			0	0			0
Disaster Relief - Gifts and Bequests....	0			66	0			75	0			88	0			71	0			(17)
Trust Fund - Offsetting Receipts........	0			(66)	0			(75)	0			(88)	0			(71)	0			17
Reimbursable Workyears..................	27			0	30			0	65			0	89			0	24			0
TOTAL, BUDGET AUTHORITY.................	2,422			1,813,507	2,610			833,495	2,664			1,756,453	2,713			831,399	49			(925,054)

FEDERAL EMERGENCY MANAGEMENT AGENCY
FY 1990 Estimates in FY 1991 Budget
(Dollars in Thousands)

	FY 1990 (as shown in Appendix)				Proposed Reprogrammings				FY 1990 Current Estimate (as shown in Justification)			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Civil Defense												
A. State and Local Emergency Management												
1. Emergency Management Assistance..	54	$2,587	$60,182	$62,769	...	$367	...	$367	54	$2,954	$60,182	$63,136
2. Emergency Management Direction...	...	...	...	...	...	...	...	...	...	...	...	...
3. Other S&L Emergency Mgmt.........	20	899	2,479	3,378	...	128	(200)	(72)	20	1,027	2,279	3,306
Subtotal, S&L Emerg. Mgmt........	74	3,486	62,661	66,147	...	495	(200)	295	74	3,981	62,461	66,442
B. Radiological Defense												
1. Planning & Development...........	5	252	3,020	3,272	...	5	(14)	(9)	5	257	3,006	3,263
2. Instrumentation..................	18	910	8,571	9,481	...	17	(354)	(337)	18	927	8,217	9,144
Subtotal, Radiological Defense...	23	1,162	11,591	12,753	...	22	(368)	(346)	23	1,184	11,223	12,407
C. Population Protection												
1. Population Protection Planning...	61	2,954	8,025	10,979	...	431	(68)	363	61	3,385	7,957	11,342
2. Facility Survey, Eng. & Dev......	29	1,427	2,878	4,305	...	209	...	209	29	1,636	2,878	4,514
3. Family Protection................	...	...	315	315	...	...	(37)	(37)	...	...	278	278
Subtotal, Population Protection..	90	4,381	11,218	15,599	...	640	(105)	535	90	5,021	11,113	16,134
D. S & L Direction, Control and Warning												
1. Emergency Operating Centers......	15	761	4,924	5,685	...	43	(100)	(57)	15	804	4,824	5,628
2. State & Local Wrng. & Com. Sys...	10	492	1,132	1,624	...	26	(16)	10	10	518	1,116	1,634
3. Emrg. Broadcast Sys. Guid. & Asst	10	517	3,907	4,424	...	28	(100)	(72)	10	545	3,807	4,352
4. Other S&L Direct., Control & Wrng	5	247	2,073	2,320	...	13	(165)	(152)	5	260	1,908	2,168
Subtotal, S&L Dir., Cntrl. & Wrng	40	2,017	12,036	14,053	...	110	(381)	(271)	40	2,127	11,655	13,782

FEDERAL EMERGENCY MANAGEMENT AGENCY
FY 1990 Estimates in FY 1991 Budget
(Dollars in Thousands)

	FY 1990 (as shown in Appendix)				Proposed Reprogrammings				FY 1990 Current Estimate (as shown in Justification)			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
E. Research												
1. Research..........................	...	...	...	...	...	...	...	...	...	...	...	...
2. Systems Development..............	...	...	...	...	...	...	...	...	...	...	...	...
3. Systems Development..............	...	...	...	...	...	...	...	...	...	...	...	...
4. Policy and Planning..............	10	$579	$593	$1,172	...	$42	($50)	($8)	10	$621	$543	$1,164
Subtotal, Research................	10	579	593	1,172	...	42	(50)	(8)	10	621	543	1,164
F. Training and Education												
1. Instructional Progs. & Materials.	5	278	821	1,099	...	(1)	(5)	(6)	5	277	816	1,093
2. Training Field Deployment Systems	17	902	5,625	6,527	...	(5)	(25)	(30)	17	897	5,600	6,497
3. Resident Programs................	23	1,237	1,706	2,943	...	(7)	(8)	(15)	23	1,230	1,698	2,928
4. NETC Site Administration.........	16	640	1,723	2,363	...	(2)	(10)	(12)	16	638	1,713	2,351
5. Emergency Public Information.....	1	42	1,730	1,772	...	...	(252)	(252)	1	42	1,478	1,520
Subtotal, Training & Education...	62	3,099	11,605	14,704	...	(15)	(300)	(315)	62	3,084	11,305	14,389
G. Telecommunications and Warning												
1. National Warning System..........	20	952	7,245	8,197	...	...	...	...	20	952	7,245	8,197
2. Washington Area Warning System...	1	50	500	550	...	...	...	...	1	50	500	550
3. FEMA Switched Network............	15	668	3,476	4,144	...	...	...	...	15	668	3,476	4,144
4. FEMA National Radio System.......	25	1,236	3,476	4,712	...	...	...	...	25	1,236	3,476	4,712
5. Information Systems Support Serv.	14	693	2,686	3,379	...	...	1,604	1,604	14	693	4,290	4,983
6. U.S. Army Civil Prepdns. Detach..	5	229	1,002	1,231	...	...	...	...	5	229	1,002	1,231
7. Decision Info. Dist. System......	...	...	...	...	...	...	...	...	...	...	...	...
8. DOD Reimbursable Support.........	...	...	622	622	...	...	...	...	...	...	622	622
Subtotal, Tele. & Warning.........	80	3,828	19,007	22,835	...	...	1,604	1,604	80	3,828	20,611	24,439
H. Automatic Data Processing (S&E).....	9	1,944	...	1,944	...	(1,404)	...	(1,404)	9	540	...	540
Subtotal, Civil Defense.............	388	20,496	128,711	149,207	...	(110)	200	90	388	20,386	128,911	149,297

FEDERAL EMERGENCY MANAGEMENT AGENCY
FY 1990 Estimates in FY 1991 Budget
(Dollars in Thousands)

	FY 1990 (as shown in Appendix)				Proposed Reprogrammings				FY 1990 Current Estimate (as shown in Justification)			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Nat'l Earthquake Program & Other Hazards												
A. National Earthquake Program.........	23	$1,586	$7,547	$9,133	...	(24)	...	(24)	23	$1,562	$7,547	$9,109
B. Hurricane...........................	5	244	871	1,115	...	...	...	...	5	244	871	1,115
C. Dam Safety..........................	3	125	420	545	...	...	...	...	3	125	420	545
D. Hazard Mitigation Assistance........	2	98	233	331	...	...	...	...	2	98	233	331
E. Policy and Planning.................	13	595	...	595	...	(11)	...	(11)	13	584	...	584
Subtotal, Nat'l EPH..................	46	2,648	9,071	11,719	...	(35)	...	(35)	46	2,613	9,071	11,684
Technological Hazards												
A. Fixed Nuclear Facilities............	95	4,412	5,531	9,943	...	306	(500)	(194)	95	4,718	5,031	9,749
B. Hazardous Materials.................	22	1,092	291	1,383	...	(26)	...	(26)	22	1,066	291	1,357
Subtotal, TH.........................	117	5,504	5,822	11,326	...	280	(500)	(220)	117	5,784	5,322	11,106
Federal Preparedness												
A. Government Preparedness												
1. Government Preparedness..........	901	45,973	107,382	153,355	...	(175)	...	(175)	901	45,798	107,382	153,180
Subtotal, Govt. Preparedness.....	901	45,973	107,382	153,355	...	(175)	...	(175)	901	45,798	107,382	153,180
B. Emerg. Info. & Coordination Center												
1. EICC.............................	8	303	492	795	...	...	...	...	8	303	492	795
Subtotal, EICC...................	8	303	492	795	...	...	...	...	8	303	492	795
C. Mobilization Preparedness												
1. Mobilization Resources...........	14	783	738	1,521	...	...	...	...	14	783	738	1,521
2. Mobilization Systems.............	12	770	493	1,263	...	...	...	...	12	770	493	1,263
3. Mobilization Assessment..........	13	652	965	1,617	...	...	...	...	13	652	965	1,617
Subtotal, Mobilization Prep......	39	2,205	2,196	4,401	...	...	...	...	39	2,205	2,196	4,401

FEDERAL EMERGENCY MANAGEMENT AGENCY
FY 1990 Estimates in FY 1991 Budget
(Dollars in Thousands)

	FY 1990 (as shown in Appendix)				Proposed Reprogrammings				FY 1990 Current Estimate (as shown in Justification)			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
D. Federal Readiness & Coordination												
1. National Security Emergency Prep.	6	$236	...	$236	...	...	...	...	6	$236	...	$236
2. Plans & Authorities..............	14	855	$492	1,347	...	...	...	...	14	855	$492	1,347
3. Exercises........................	8	598	688	1,286	...	...	...	...	8	598	688	1,286
4. Nat. Defense Executive Reserve...	1	51	...	51	...	...	...	...	1	51	...	51
Subtotal, Mobilization Prep......	29	1,740	1,180	2,920	...	...	...	...	29	1,740	1,180	2,920
Subtotal, Federal Preparedness......	977	50,221	111,450	161,671	...	(175)	...	(175)	977	50,046	111,450	161,496
Training and Fire Programs												
A. Emergency Management Institute												
1. Instructional Progs. & Materials.	...	...	1,243	1,243	...	...	(32)	(32)	...	...	1,211	1,211
2. Training Field Deployment Systems	3	119	4,369	4,488	...	(1)	21	20	3	118	4,390	4,508
3. Resident Programs................	9	410	1,176	1,586	...	(1)	10	9	9	409	1,186	1,595
4. NETC Site Administration.........	...	...	193	193	...	...	1	1	...	...	194	194
Subtotal, EMI....................	12	529	6,981	7,510	...	(2)	...	(2)	12	527	6,981	7,508
B. National Fire Academy												
1. Instructional Progs. & Materials.	5	269	1,363	1,632	...	...	(22)	(22)	5	269	1,341	1,610
2. Training Field Deployment Systems	9	482	992	1,474	...	(2)	(88)	(90)	9	480	904	1,384
3. Resident Programs................	28	1,205	1,866	3,071	...	92	110	202	28	1,297	1,976	3,273
4. NETC Site Administration.........	34	1,715	2,671	4,386	...	(108)	300	192	34	1,607	2,971	4,578
Subtotal, NFA....................	76	3,671	6,892	10,563	...	(18)	300	282	76	3,653	7,192	10,845

FEDERAL EMERGENCY MANAGEMENT AGENCY
FY 1990 Estimates in FY 1991 Budget
(Dollars in Thousands)

	FY 1990 (as shown in Appendix)				Proposed Reprogrammings				FY 1990 Current Estimate (as shown in Justification)			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
C. U.S. Fire Administration												
1. Fire Prevention and Arson Control	8	285	2,917	3,202	...	$31	($17)	$14	8	316	2,900	3,216
2. Fed. Fire Policy & Coordination..	6	290	340	630	...	26	3	29	6	316	343	659
3. Firefighter Health and Safety....	4	194	389	583	...	77	15	92	4	271	404	675
4. Fire Data and Analysis............	6	320	875	1,195	...	(139)	(1)	(140)	6	181	874	1,055
5. NETC Site Administration..........	...	...	195	195	...	...	...	...	...	...	195	195
Subtotal, USFA....................	24	1,089	4,716	5,805	...	(5)	...	(5)	24	1,084	4,716	5,800
D. NETC Site Administration												
1. Site Administration...............	...	...	...	...	...	...	...	...	...	...	...	...
Subtotal, Training & Fire Programs..	112	5,289	18,509	23,878	...	(25)	300	275	112	5,264	18,809	24,153
Flood Insurance and Mitigation												
A. Flood Plain Management												
1. Flood Studies and Surveys..........	58	2,851	36,283	39,134	...	...	...	...	58	2,851	36,283	39,134
2. Flood Hazard Reduction..............	85	4,176	4,020	8,196	...	...	...	...	85	4,176	4,020	8,196
3. Purchase of Property................	6	294	2,720	3,014	...	...	...	...	6	294	2,720	3,014
Subtotal, Flood Plain Management....	149	7,321	43,023	50,344	...	...	...	...	149	7,321	43,023	50,344
B. Insurance Activities (S&E)............	54	3,413	...	3,413	...	...	...	...	54	3,413	...	3,413
Subtotal, Flood Ins & Mitigation......	203	10,734	43,023	53,757	...	...	...	...	203	10,734	43,023	53,757
Disaster Relief Administration (S&E)...	233	11,254	...	11,254	...	...	...	...	233	11,254	...	11,254
Emergency Food & Shelter (S&E).........	6	245	...	245	...	(2)	...	(2)	6	243	...	243
SUBTOTAL, EMERG. PLNG. ASSIST. & SUP...	2,082	106,391	316,666	423,057	...	(67)	...	(67)	2,082	106,324	316,666	422,990
Management and Administration..........	464	42,915	...	42,915	...	67	...	67	464	42,982	...	42,982
TOTAL, FEMA OPERATING PROGRAMS AND MANAGEMENT & ADMINISTRATION....	2,546	149,306	316,666	465,972	...	...	...	...	2,546	149,306	316,666	465,972

FEDERAL EMERGENCY MANAGEMENT AGENCY
FY 1990 Estimates in FY 1991 Budget
(Dollars in Thousands)

	FY 1990 (as shown in Appendix)				Proposed Reprogrammings				FY 1990 Current Estimate (as shown in Justification)			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Management and Administration												
A. Office of the Director..............	6	$484	...	$484	...	($5)	...	($5)	6	$479	...	$479
B. General Counsel......................	20	1,207	...	1,207	...	...	...	...	20	1,207	...	1,207
C. Inspector General....................	...	...	...	...	...	...	...	...	...	...	...	...
D. Chief of Staff's Office	13	680	...	680	...	...	...	...	13	680	...	680
E. Security.............................	15	1,295	...	1,295	...	...	...	...	15	1,295	...	1,295
F. Acquisition Management...............	37	1,686	...	1,686	...	(20)	...	(20)	37	1,666	...	1,666
G. Personnel & Equal Opportunity.......	89	4,271	...	4,271	...	100	...	100	89	4,371	...	4,371
H. Comptroller..........................	77	3,684	...	3,684	...	(20)	...	(20)	77	3,664	...	3,664
I. Administrative Support Staff.........	61	2,182	...	2,182	...	(35)	...	(35)	61	2,147	...	2,147
J. Other Administrative Expenses												
1. RENT.................................	...	9,094	...	9,094	...	...	...	...	...	9,094	...	9,094
2. Other................................	...	3,258	...	3,258	...	347	...	347	...	3,605	...	3,605
K. Automatic Data Processing												
1. ADP Support..........................	16	1,011	...	1,011	...	...	...	...	16	1,011	...	1,011
2. Administrative Telephones...........	...	2,646	...	2,646	...	...	...	...	...	2,646	...	2,646
3. Word Processing......................	...	534	...	534	...	(300)	...	(300)	...	234	...	234
L. Regional Operations..................	5	284	...	284	...	...	...	...	5	284	...	284
M. External Affairs.....................	20	1,327	...	1,327	...	100	...	100	20	1,427	...	1,427
N. Regional Executive Direction........	105	9,272	...	9,272	...	(100)	...	(100)	105	9,172	...	9,172
Subtotal, Management & Admin........	464	42,915	...	42,915	...	67	...	67	464	42,982	...	42,982

Obligations and Object Classes

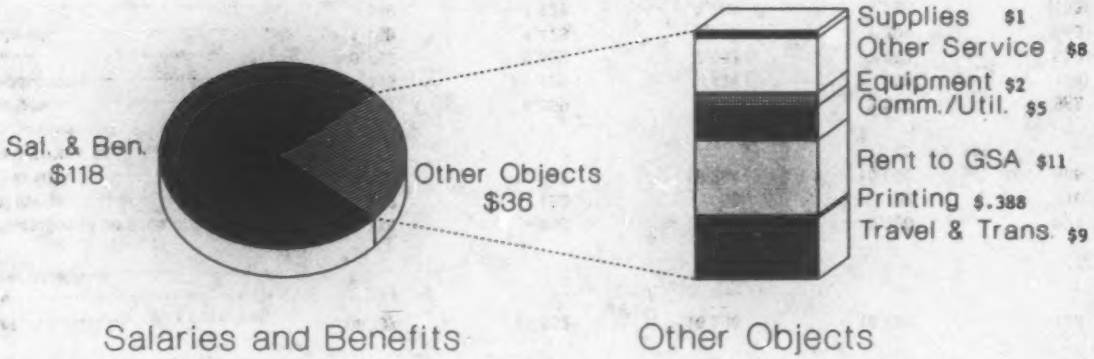
FEDERAL EMERGENCY MANAGEMENT AGENCY
Obligations Summary
(Dollars in Thousands)

OBLIGATIONS

	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Salaries and Expenses	$144,459	$152,063	$149,306	$154,412	$5,106
Emergency Management Planning and Assistance	319,583	308,808	316,666	322,065	5,399
National Insurance Development Fund	23,866	17,222	21,891	20,612	(1,279)
National Flood Insurance Fund	704,468	565,134	478,758	539,869	61,111
Disaster Relief Fund	138,562	270,000	2,241,600	270,000	(1,971,600)
Emergency Food and Shelter	126,000	134,000	130,092	124,991	(5,101)
Office of the Inspector General	...	2,439	2,563	3,905	1,342
Total, Obligations Requested	1,456,938	1,449,666	3,340,876	1,435,854	(1,905,022)

FY 1991 S&E By Major Object Class

(Dollars in Millions)



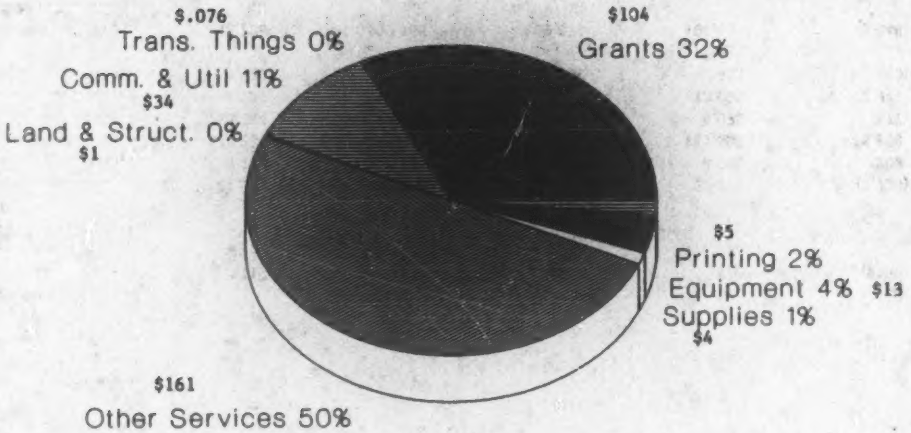
(Total ($154)

SALARIES AND EXPENSES
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	$87,028	$94,169	$95,746	$98,959	$3,213
11.3 Other than full-time permanent	998	...	...	...	0
11.5 Other personnel compensation	3,605	2,106	2,595	2,868	273
11.8 Special personal services payments	528	...	...	19	19
11.9 Total personnel compensation	92,159	96,275	98,341	101,846	3,505
Personnel benefits					
12.1 Civilian personnel	14,987	14,662	16,296	16,484	188
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	6,873	8,568	8,746	9,020	274
22.0 Transportation of things	242	162	98	82	(16)
23.1 Rental payments to GSA	9,932	11,357	10,294	10,600	306
23.2 Rental payments to others	...	2	...	...	...
23.3 Communications, utilities, and miscellaneous charges	6,121	8,359	4,935	5,318	383
24.0 Printing and reproduction	346	685	424	388	(36)
25.0 Other services	8,793	9,692	7,087	7,689	602
26.0 Supplies and materials	1,158	1,473	1,316	1,399	83
31.0 Equipment	3,848	828	1,769	1,586	(183)
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	144,459	152,063	149,306	154,412	5,106

1991 EMPA By Major Object Class

(Dollars in Millions)



All Object Classes ($322)

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	$117	$19	$215	$76	($139)
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	610	...	...	...
23.3 Communications, utilities, and miscellaneous charges	21,592	40,206	41,400	33,670	(7,730)
24.0 Printing and reproduction	4,116	4,794	4,543	4,745	202
25.0 Other services	174,534	135,045	144,817	161,506	16,689
26.0 Supplies and materials	3,244	10,242	4,915	4,038	(877)
31.0 Equipment	12,254	14,727	10,128	13,099	2,971
32.0 Land and structures	4,930	1,000	969	900	(69)
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	98,796	102,165	109,679	104,031	(5,648)
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	319,583	308,808	316,666	322,065	5,399

NATIONAL INSURANCE DEVELOPMENT FUND

(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	$319	$185	$300	$300	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	319	185	300	300	...
Personnel benefits					
12.1 Civilian personnel	42	20	45	45	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	24	15	25	25	...
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	...	...	...	...	...
25.0 Other services	3,577	3,373	3,541	3,506	($35)
26.0 Supplies and materials	...	...	...	...	...
31.0 Equipment	...	...	...	...	...
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	8,763	3,356	8,408	8,363	(45)
43.0 Interest and dividends	11,141	10,273	9,572	8,373	(1,199)
Total Obligations	23,866	17,222	21,891	20,612	(1,279)

NATIONAL FLOOD INSURANCE FUND
(Dollars in Thousands)

	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
OBJECT CLASS					
Personnel compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	...	...	...	...	...
25.0 Other services	$149,456	$196,572	$197,695	$215,472	$17,777
26.0 Supplies and materials	...	...	...	...	...
31.0 Equipment	...	...	...	...	...
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	533,857	365,062	281,063	324,397	43,334
43.0 Interest and dividends	21,155	3,500	...	...	...
Total Obligations	704,468	565,134	478,758	539,869	61,111

DISASTER RELIEF
(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	$3,338	$9,200	$24,000	$9,200	($14,800)
11.5 Other personnel compensation	1,272	...	16,750	...	(16,750)
11.8 Special personal services payments	59	...	...	...	...
11.9 Total personnel compensation	4,669	9,200	40,750	9,200	(31,550)
Personnel benefits					
12.1 Civilian personnel	318	700	3,000	700	(2,300)
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	450	...	(450)
Non-Personnel Costs					
21.0 Travel and transportation of persons	7,259	8,200	24,000	8,200	(15,800)
22.0 Transportation of things	238	100	5,000	100	(4,900)
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	100	400	100	(300)
23.3 Communications, utilities, and miscellaneous charges	1,367	400	6,000	400	(5,600)
24.0 Printing and reproduction	225	200	1,000	200	(800)
25.0 Other services	6,537	20,400	150,000	20,400	(129,600)
26.0 Supplies and materials	420	300	3,000	300	(2,700)
31.0 Equipment	882	900	8,000	900	(7,100)
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	116,647	229,500	2,000,000	229,500	(1,770,500)
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	138,562	270,000	2,241,800	270,000	(1,971,800)

EMERGENCY FOOD AND SHELTER

(Dollars in Thousands)

OBJECT CLASS	1989 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	...	...	...	...	...
25.0 Other services	...	...	...	...	...
26.0 Supplies and materials	...	...	...	...	...
31.0 Equipment	...	...	...	...	...
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	$126,000	$134,000	$130,092	$124,991	($5,101)
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	126,000	134,000	130,092	124,991	(5,101)

OFFICE OF THE INSPECTOR GENERAL
(Dollars in Thousands)

OBJECT CLASS	1989 1 Actual	1990 Request	1990 Current Estimate	1991 Request	Increase/ Decrease
Personnel compensation					
11.1 Full-time permanent	...	$1,810	$1,990	$3,030	$1,040
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	1,810	1,990	3,030	1,040
Personnel benefits					
12.1 Civilian personnel	...	345	319	485	166
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-Personnel Costs					
21.0 Travel and transportation of persons	...	272	242	280	38
22.0 Transportation of things	...	...	...	50	50
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	...	...	...	5	5
25.0 Other services	...	5	5	20	15
26.0 Supplies and materials	...	...	...	5	5
31.0 Equipment	...	7	7	30	23
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	...	2,439	2,563	3,905	1,342

1/ Previously funded under Salaries and Expenses, Management and Administration.

1991 Proposed Budget Structure

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Proposed Budget Structure
(Dollars in Thousands)

1991 Current				1991 Current Structure	Recommended Changes for 1991				1991 Request Structure	1991 Request			
WY	S&E	EMPA	TOTAL		WY	S&E	EMPA	TOTAL		WY	S&E	EMPA	TOTAL
				Civil Defense					Civil Defense				
				A. State and Local Emergency Management					A. State and Local Emergency Management				
54	$2,962	$60,120	$63,090	1. Emergency Management Assistance..	...	...	...	...	1. Emergency Management Assistance..	54	$2,962	$60,120	$63,090
20	1,098	2,160	3,258	2. Other S&L Emergency Mgmt..........	...	...	...	...	2. Other S&L Emergency Mgmt..........	20	1,098	2,160	3,258
74	4,060	62,280	66,348	Subtotal, S&L Emerg. Mgmt........	...	...	...	...	Subtotal, S&L Emerg. Mgmt........	74	4,060	62,280	66,348
				B. Radiological Defense					B. Radiological Defense				
5	273	3,006	3,279	1. Planning & Development...........	...	...	...	...	1. Planning & Development...........	5	273	3,006	3,279
18	992	8,999	9,991	2. Instrumentation..................	...	...	...	...	2. Instrumentation..................	18	992	8,999	9,991
23	1,265	12,005	13,270	Subtotal, Radiological Defense...	...	...	...	...	Subtotal, Radiological Defense...	23	1,265	12,005	13,270
				C. Population Protection					C. Population Protection				
61	3,333	8,400	11,733	1. Population Protection Planning...	...	...	...	...	1. Population Protection Planning...	61	3,333	8,400	11,733
29	1,556	3,918	5,474	2. Facility Survey, Eng. & Dev......	...	...	...	...	2. Facility Survey, Eng. & Dev......	29	1,556	3,918	5,474
...	...	525	525	3. Family Protection................	...	...	...	...	3. Family Protection................	...	...	525	525
90	4,889	12,843	17,732	Subtotal, Population Protection..	...	...	...	...	Subtotal, Population Protection..	90	4,889	12,843	17,732
				D. S & L Direction, Control and Warning					D. S & L Direction, Control and Warning				
15	831	5,000	5,831	1. Emergency Operating Centers......	...	...	...	...	1. Emergency Operating Centers......	15	831	5,000	5,831
10	546	3,150	3,696	2. State & Local Wrng. & Com. Sys...	...	...	...	...	2. State & Local Wrng. & Com. Sys...	10	546	3,150	3,696
10	576	3,700	4,276	3. Emrg. Broadcast Sys. Guid. & Asst	...	...	...	...	3. Emrg. Broadcast Sys. Guid. & Asst	10	576	3,700	4,276
5	273	3,000	3,273	4. Other S&L Direct., Control & Wrng	...	...	...	...	4. Other S&L Direct., Control & Wrng	5	273	3,000	3,273
40	2,226	14,850	17,076	Subtotal, S&L Dir., Cntrl. & Wrng	...	...	...	...	Subtotal, S&L Dir., Cntrl. & Wrng	40	2,226	14,850	17,076

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Proposed Budget Structure
(Dollars in Thousands)

1991 Current				1991 Current Structure	Recommended Changes for 1991				1991 Request Structure	1991 Request			
WY	S&E	EMPA	TOTAL		WY	S&E	EMPA	TOTAL		WY	S&E	EMPA	TOTAL
				E. Research					E. Research				
...	...	...	...	1. Research........................	...	...	...	...	1. Research........................	...	...	...	...
...	...	...	...	2. Systems Development..............	...	...	...	...	2. Systems Development..............	...	...	...	...
10	$611	$600	$1,211	3. Policy and Planning..............	...	...	...	...	3. Policy and Planning..............	10	$611	$600	$1,211
10	611	600	1,211	Subtotal, Research...............	...	...	...	...	Subtotal, Research...............	10	611	600	1,211
				F. Training and Education					F. Training and Education				
5	290	700	990	1. Instructional Progs. & Materials.	...	...	...	...	1. Instructional Progs. & Materials.	5	290	700	990
17	996	5,464	6,460	2. Training Field Deployment Systems	...	...	...	...	2. Training Field Deployment Systems	17	996	5,464	6,460
23	1,332	1,743	3,075	3. Resident Programs................	...	...	...	...	3. Resident Programs................	23	1,332	1,743	3,075
16	568	1,750	2,318	4. NETC Site Administration.........	...	...	...	...	4. NETC Site Administration.........	16	568	1,750	2,318
1	55	1,315	1,370	5. Emergency Public Information.....	...	...	...	...	5. Emergency Public Information.....	1	55	1,315	1,370
62	3,241	10,972	14,213	Subtotal, Training & Education...	...	...	...	...	Subtotal, Training & Education...	62	3,241	10,972	14,213
				G. Telecommunications and Warning					G. Telecommunications and Warning				
20	1,073	7,500	8,573	1. National Warning System..........	...	...	...	...	1. National Warning System..........	20	1,073	7,500	8,573
...	...	...	...	2. Washington Area Warning System...	...	...	...	...	2. Washington Area Warning System...	...	...	...	...
16	860	3,164	4,024	3. FEMA Switched Network............	...	...	...	...	3. FEMA Switched Network............	16	860	3,164	4,024
25	1,372	3,450	4,822	4. FEMA National Radio System.......	...	...	...	...	4. FEMA National Radio System.......	25	1,372	3,450	4,822
14	754	3,624	4,378	5. Information Systems Support Serv.	...	...	...	...	5. Information Systems Support Serv.	14	754	3,624	4,378
5	274	1,045	1,319	6. U.S. Army Civil Prepdns. Detach..	...	...	...	...	6. U.S. Army Civil Prepdns. Detach..	5	274	1,045	1,319
...	...	645	645	8. DOD Reimbursable Support.........	...	...	...	...	7. DOD Reimbursable Support.........	...	...	645	645
80	4,333	19,428	23,761	Subtotal, Tele. & Warning........	...	...	...	...	Subtotal, Tele. & Warning........	80	4,333	19,428	23,761
9	506	...	506	H. Automatic Data Processing (S&E).....	...	...	...	...	H. Automatic Data Processing (S&E).....	9	506	...	506
388	21,131	132,986	154,117	Subtotal, Civil Defense.............	...	...	...	...	Subtotal, Civil Defense.............	388	21,131	132,986	154,117

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Proposed Budget Structure
(Dollars in Thousands)

1991 Current				1991 Current Structure	Recommended Changes for 1991				1991 Request Structure	1991 Request			
WY	S&E	EMPA	TOTAL		WY	S&E	EMPA	TOTAL		WY	S&E	EMPA	TOTAL
				Earthquake and Other Hazards					Nat'l Earthquake Program & Other Hazards				
35	$2,910	$10,510	$13,420	A. Earthquake............................	...	...	...	...	A. National Earthquake Program..........	35	$2,910	$10,510	$13,420
5	251	896	1,147	B. Hurricane.............................	...	...	...	...	B. Hurricane............................	5	251	896	1,147
22	1,111	591	1,702	C. Hazardous Materials..................	(22)	($1,111)	($591)	($1,702)	...	...	...	...	...
3	131	432	563	D. Dam Safety............................	...	...	...	...	C. Dam Safety...........................	3	131	432	563
2	101	200	301	E. Hazard Mitigation Assistance........	...	...	...	...	D. Hazard Mitigation Assistance........	2	101	200	301
13	619	...	619	F. Policy and Planning..................	...	...	...	...	E. Policy and Planning.................	13	619	...	619
80	5,123	12,629	17,752	Subtotal, EQHP.........................	(22)	(1,111)	(591)	(1,702)	Subtotal, Nat'l EQH................	58	4,012	12,038	16,050
				Radiological Emergency Preparedness					Technological Hazards				
95	4,800	4,760	9,560	A. Fixed Nuclear Facilities............	...	...	...	...	A. Radiological Emergency Preparedness.	95	4,800	4,760	9,560
...	...	...	...	...	22	1,111	591	1,702	B. Hazardous Materials..................	22	1,111	591	1,702
95	4,800	4,760	9,560	Subtotal, REP..........................	22	1,111	591	1,702	Subtotal, TH......................	117	5,911	5,351	11,262
				Federal Preparedness					Federal Preparedness				
				A. Government Preparedness					A. Government Preparedness				
901	45,669	106,447	152,116	1. Government Preparedness...........	...	...	...	...	1. Government Preparedness..........	901	45,669	106,447	152,116
901	45,669	106,447	152,116	Subtotal, Govt. Preparedness.....	...	...	...	...	Subtotal, Govt. Preparedness.....	901	45,669	106,447	152,116
				B. Emerg. Info. & Coordination Center					B. Emerg. Info. & Coordination Center				
8	365	500	865	1. EICC...............................	...	...	...	...	1. EICC...............................	8	365	500	865
8	365	500	865	Subtotal, EICC....................	...	...	...	...	Subtotal, EICC....................	8	365	500	865
				C. Mobilization Preparedness					C. Mobilization Preparedness				
14	805	750	1,555	1. Mobilization Resources	...	...	...	...	1. Mobilization Resources	14	805	750	1,555
12	694	501	1,195	2. Mobilization Systems.............	...	...	...	...	2. Mobilization Systems.............	12	694	501	1,195
13	740	980	1,720	3. Mobilization Assessment..........	...	...	...	...	3. Mobilization Assessment..........	13	740	980	1,720
39	2,239	2,231	4,470	Subtotal, Mobilization Prep.......	...	...	...	...	Subtotal, Mobilization Prep.......	39	2,239	2,231	4,470

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Proposed Budget Structure
(Dollars in Thousands)

1991 Current				1991 Current Structure	Recommended Changes for 1991				1991 Request Structure	1991 Request			
WY	S&E	EMPA	TOTAL		WY	S&E	EMPA	TOTAL		WY	S&E	EMPA	TOTAL
				B. Federal Readiness & Coordination					B. Federal Readiness & Coordination				
6	$334	...	$334	1. National Security Emergency Prep..	...	...	...	...	1. National Security Emergency Prep..	6	$334	...	$334
14	784	$500	1,284	2. Plans & Authorities..............	...	...	...	...	2. Plans & Authorities..............	14	784	$500	1,284
8	451	699	1,150	3. Exercises........................	...	...	...	...	3. Exercises........................	8	451	699	1,150
1	56	...	56	4. Nat. Defense Executive Reserve....	...	...	...	...	4. Nat. Defense Executive Reserve....	1	56	...	56
29	1,625	1,199	2,824	Subtotal, Fed Readiness & Coord...	...	...	...	...	Subtotal, Fed Readiness & Coord...	29	1,625	1,199	2,824
977	49,898	110,377	160,275	Subtotal, Federal Preparedness........	...	...	...	...		977	49,898	110,377	160,275
				Training and Fire Programs					Training and Fire Programs				
				A. Emergency Management Institute					A. Emergency Management Institute				
...	...	1,188	1,188	1. Instructional Progs. & Materials.	...	...	...	...	1. Instructional Progs. & Materials.	...	...	1,188	1,188
...	...	820	820	2. Training Field Deployment Systems	...	...	...	...	2. Training Field Deployment Systems	...	...	820	820
9	396	1,062	1,458	3. Resident Programs................	...	...	...	...	3. Resident Programs................	9	396	1,062	1,458
...	...	204	204	4. NETC Site Administration.........	...	...	...	...	4. NETC Site Administration.........	...	...	204	204
9	396	3,274	3,670	Subtotal, EMI.....................	...	...	...	...	Subtotal, EMI.....................	9	396	3,274	3,670
				B. National Fire Academy					B. National Fire Academy				
15	616	1,501	2,117	1. Instructional Progs. & Materials.	...	...	...	...	1. Instructional Progs. & Materials.	15	616	1,501	2,117
9	385	770	1,155	2. Training Field Deployment Systems	...	...	...	...	2. Training Field Deployment Systems	9	385	770	1,155
23	990	2,155	3,145	3. Resident Programs................	...	...	...	...	3. Resident Programs................	23	990	2,155	3,145
29	1,653	2,804	4,457	4. NETC Site Administration.........	...	...	...	...	4. NETC Site Administration.........	29	1,653	2,804	4,457
76	3,644	7,230	10,874	Subtotal, NFA.....................	...	...	...	...	Subtotal, NFA.....................	76	3,644	7,230	10,874

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Proposed Budget Structure
(Dollars in Thousands)

1991 Current WY	1991 Current S&E	1991 Current EMPA	1991 Current TOTAL	1991 Current Structure	Recommended Changes for 1991 WY	Recommended Changes for 1991 S&E	Recommended Changes for 1991 EMPA	Recommended Changes for 1991 TOTAL
				C. U.S. Fire Administration				
7	$350	$3,250	$3,600	1. Fire Prevention and Arson Control	...	...	...	...
7	364	345	709	2. Fed. Fire Policy & Coordination..	...	...	...	...
6	299	1,099	1,398	3. Firefighter Health and Safety....	...	...	...	...
4	199	887	1,086	4. Fire Data and Analysis............	...	...	...	...
...	...	197	197	5. NETC Site Administration.........	...	...	...	...
24	1,212	5,786	6,998	Subtotal, USFA......................	...	...	...	...
				D. NETC Site Administration				
...	...	...	...	1. Site Administration................	...	...	...	...
109	5,252	16,290	21,542	Subtotal, Training & Fire Programs..	...	...	...	...
				Flood Plain Management				
58	...	...	...	A. Flood Studies and Surveys...........	...	...	...	...
85	...	...	...	B. Flood Hazard Reduction...............	...	...	...	...
6	...	...	...	C. Purchase of Property.................	...	...	...	...
149	...	...	...	Subtotal, Flood Plain Management....	...	...	...	...
54	...	...	...	Insurance Activities (S&E).............	...	...	...	...
...	...	...	...	...	...	...	...	...
233	11,647	...	11,647	Disaster Relief Administration (S&E)...	...	...	...	...
6	240	...	240	Emergency Food & Shelter (S&E)..........	...	...	...	...
2,091	98,091	277,042	214,850	SUBTOTAL, EMERG. PLNG. ASSIST. & SUP....	...	...	...	...
467	45,243	...	45,243	Management and Administration..........	...	...	...	...
2,558	143,334	277,042	420,376	TOTAL, FEMA OPERATING PROGRAMS AND MANAGEMENT & ADMINISTRATION....	...	...	...	...

1991 Request Structure	1991 Request WY	1991 Request S&E	1991 Request EMPA	1991 Request TOTAL
C. U.S. Fire Administration				
1. Fire Prevention and Arson Control	7	$350	$3,250	$3,600
2. Fed. Fire Policy & Coordination..	7	364	345	709
3. Firefighter Health and Safety....	6	299	1,099	1,398
4. Fire Data and Analysis............	4	199	887	1,086
5. NETC Site Administration.........	...	...	197	197
Subtotal, USFA......................	24	1,212	5,786	6,998
D. NETC Site Administration				
1. Site Administration................	...	...	...	...
Subtotal, Training & Fire Programs..	109	5,252	16,290	21,542
Flood Insurance and Mitigation				
A. Flood Plain Management				
1. Flood Studies and Surveys..........	58	...	...	...
2. Flood Hazard Reduction.............	85	...	...	...
3. Purchase of Property...............	6	...	...	...
Subtotal, Flood Plain Management....	149	...	...	...
B. Insurance Activities (S&E)...........	54	...	...	...
Subtotal, Flood Ins & Mitigation.....	203	...	...	...
Disaster Relief Administration (S&E)...	233	11,647	...	11,647
Emergency Food & Shelter (S&E).........	6	240	...	240
SUBTOTAL, EMERG. PLNG. ASSIST. & SUP....	2,091	98,091	277,042	375,133
Management and Administration..........	467	45,243	...	45,243
TOTAL, FEMA OPERATING PROGRAMS AND MANAGEMENT & ADMINISTRATION....	2,558	143,334	277,042	420,376

FEDERAL EMERGENCY MANAGEMENT AGENCY
1991 Proposed Budget Structure
(Dollars in Thousands)

1991 Current				1991 Current Structure	Recommended Changes for 1991				1991 Request Structure	1991 Request			
WY	S&E	EMPA	TOTAL		WY	S&E	EMPA	TOTAL		WY	S&E	EMPA	TOTAL
				Management and Administration					Management and Administration				
6	$505	...	$505	A. Office of the Director..............	...	...	...	...	A. Office of the Director..............	6	$505	...	$505
23	1,630	...	1,630	B. General Counsel....................	...	...	...	...	B. General Counsel....................	23	1,630	...	1,630
...	...	...	...	C. Inspector General..................	...	...	...	...	C. Inspector General..................				
13	703	...	703	D. Chief of Staff's Office............	(8)	(386)	...	(386)	D. Chief of Staff's Office............	5	317	...	317
15	1,311	...	1,311	E. Security............................	...	...	...	...	E. Security............................	15	1,311	...	1,311
37	1,687	...	1,687	F. Acquisition Management..............	...	...	...	...	F. Acquisition Management..............	37	1,687	...	1,687
89	4,949	...	4,949	G. Personnel and Equal Opportunity.....	...	...	...	...	G. Personnel and Equal Opportunity.....	89	4,949	...	4,949
77	4,465	...	4,465	H. Comptroller.........................	...	...	...	...	H. Comptroller.........................	77	4,465	...	4,465
...	...	...	...	...	8	386	...	386	I. Program Analysis and Evaluation.....	8	386	...	386
61	2,217	...	2,217	I. Administrative Support Staff........	...	...	...	...	J. Administrative Support Staff........	61	2,217	...	2,217
				J. Other Admin. Expenses	...	...	...	...	K. Other Admin. Expenses				
...	9,400	...	9,400	1. RENT	...	...	...	...	1. RENT	...	9,400	...	9,400
...	3,570	...	3,570	2. Other	...	...	...	...	2. Other	...	3,570	...	3,570
				K. Automatic Data Processing		Name Change			L. Information Services				
16	1,020	...	1,020	1. ADP Support.........................		Name Change			1. Information Systems.................	16	1,020	...	1,020
...	2,646	...	2,646	2. Administrative Telephones...........	...	...	...	...	2. Administrative Telephones...........	0	2,646	...	2,646
...	234	...	234	3. Word Processing.....................		Name Change			3. Office Automation...................	0	234	...	234
5	287	...	287	L. Regional Operations.................	...	...	...	...	M. Regional Operations.................	5	287	...	287
20	1,336	...	1,336	M. External Affairs....................	...	...	...	...	N. External Affairs....................	20	1,336	...	1,336
105	9,283	...	9,283	N. Regional Executive Direction........	...	...	...	...	O. Regional Executive Direction........	105	9,283	...	9,283
467	45,243	...	45,243	Subtotal, Management & Admin........	...	...	...	...	Subtotal, Management & Admin........	467	45,243	...	45,243

Authorities for FEMA Programs

BASIC AUTHORITIES
FEDERAL EMERGENCY MANAGEMENT AGENCY
BUDGET ESTIMATES FOR 1991

The Federal Emergency Management Agency (FEMA) was established by the President in Reorganization Plan No. 3 of 1978. The Agency operates under various statutory and executive authorities to carry out a wide range of program responsibilities for emergency planning, preparedness, response and recovery, and hazard mitigation. These include the following:

- Under the Federal Civil Defense Act of 1950, as amended, responsibility for administering a national program for population protection preparedness and response in emergency conditions.

- Under the Earthquake Hazards Reduction Act of 1977, programs designed to identify and reduce earthquake vulnerabilities and consequences.

- Under Executive Order 12148, responsibility for oversight of the national dam safety program.

- In accordance with provisions of the Nuclear Regulatory Commission (NRC) 1980 Appropriations Act and other statutes, Executive Order 12657, and by Presidential directive, responsibility for offsite emergency preparedness for fixed nuclear facilities.

- Under the National Security Act of 1974, as amended, and the Defense Production Act of 1950, as amended, programs to provide for continuity of government as well as emergency resources assessment, management, and recovery.

- Under the Federal Fire Prevention and Control Act of 1974, programs to reduce national fire loss, including training and education.

- Under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, administration of a national program to provide flood insurance and to encourage better flood plain management.

- Under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, programs to provide assistance to individuals and State and local governments in Presidentially-declared major disaster or emergency areas.

- Under the Inspector General Act of 1978, as amended, agencywide audit and investigative functions to identity and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste and mismanagement.

SALARIES AND EXPENSES
Appropriation Language

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles (31 U.S.C. 1343); uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government program to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed $2,500 for official reception and representation expenses, [$142,499,000] $143,334,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990; additional authorizing legislation to be proposed for $24,311,000.)

THURSDAY, APRIL 26, 1990.

NEIGHBORHOOD REINVESTMENT CORPORATION

WITNESSES

WILLIAM A. WHITESIDE, EXECUTIVE DIRECTOR

GEORGE KNIGHT, DEPUTY EXECUTIVE DIRECTOR/TREASURER

CAROL McCABE, GENERAL COUNSEL/SECRETARY

RENO R. JAMES, DIRECTOR, TRAINING, EVALUATION AND NEW STRATEGIES

NATHANIEL GRANT, DIRECTOR, PERSONNEL AND ADMINISTRATION

ROY DAVIS, DIRECTOR, FINANCE AND MANAGEMENT INFORMATION SYSTEMS

Mr. TRAXLER. We want to give you a hearty welcome. Nice to see you again.

Mr. WHITESIDE. Thank you.

REQUEST TO OMB

Mr. TRAXLER. We want to welcome Mr. Whiteside, Executive Director of the Neighborhood Reinvestment Corporation. The Corporation is requesting $24,500,000 for fiscal 1991.

This is a decrease of $2,054,000 below the 1990 level of 26,554,000. So your fiscal year 1991 request is less than the 1990 level.

You state in your recommendations that that is OMB's number. What was your request of OMB?

Mr. WHITESIDE. We will supply that for the record.

[The information follows:]

FY 1991 REQUEST OF OMB

After receiving nearly a $6 million increase in our FY 1990 funding, we submitted an FY 1991 appropriation request at the following levels:

Level to maintain current services	$28,186,840
Intermediate level	31,005,224
OMB Freeze level	27,260,000
5% Below OMB Freeze	25,897,000

The "level to maintain current services" reflects a cost inflator over the FY 1990 appropriation level. The intermediate level was an increase of 10% over the OMB outyear mark and proposes a more adequate reflection of NeighborWorks network needs. The other two levels were requested by OMB. A schedule from our OMB FY 1991 budget submission, September 12, 1989, is attached.

The OMB FY 1991 recommendation of $24,500,000 is 13% below the current services request level and 21% below the intermediate level.

Mr. **Lewis**. Mr. Chairman, may I pursue that?

This is one of the programs that this subcommittee has been very positive about in the past. It's important for us to have some reference point.

Is it 10 percent below what you requested or 20 percent below?

Mr. **Whiteside**. Probably 20 percent, yes.

Mr. **Traxler**. We are having problems with the agencies. They don't know what they asked OMB for. It's incredible.

Unless they are suffering from Alzheimer's, but I don't expect so. That will be a standard question every time you are across the table from us. It will be as sure as the sun comes up.

Mr. **Lewis**. I would sure like to know the why—maybe you cannot answer why—OMB gave a 20 percent whack to your program that we think works.

Mr. **Traxler**. And cut them by two million. Aren't you popular?

Mr. **Whiteside**. I don't think it was unpopularity. The presentation we heard had to do with general tightness of the budget.

In fact, I think they felt we should be pretty grateful.

Mr. **Traxler**. I suspect that they know that you are one of our favorite agencies.

Mr. **Lewis**. I suspect that that is exactly true.

Mr. **Traxler**. And if I didn't recommend it, Mr. Lewis would recommend that you would be fully funded. So that is part of the budget game plan.

Mr. **Lewis**. Mr. Chairman, you have always been very patient with me, but let me say for the record, and I don't think I have had this opportunity since you have been chairman, that Bill Whiteside and I have been friends for many, many years.

I was very skeptical when he came to Washington knowing his background and policy preferences.

I wouldn't disclose his background, but——

Mrs. **Boggs**. Are you afraid he will disclose yours?

Mr. **Lewis**. But he became involved in a fabulous program that this committee has given great support to. The Corporation has been successful in no small part, because he is one very able guy.

STATEMENT OF WM. A. WHITESIDE

Mr. **Traxler**. Well, Jerry, your remarks are well stated, and I am pleased that you have had that friendship over the years, of course, and sometime we will find out what the real story is.

But in the meantime, we are going to be very brief this afternoon. We are going to proceed and ask that you hold your responses to as short a period as possible in view of our time constraints.

What I would like you to do is to make a brief statement. We will put all of your statement in the record, of course, so why don't you proceed on that basis?

Mr. **Whiteside**. I will not repeat anything that is in my written statement. I will just hit a couple of highlights, if I may.

The NeighborWorks network is active in 265 neighborhoods around the country and has succeeded in bringing an earlier 80 neighborhoods to a substantially self-reliant condition. These are neighborhoods that were severely distressed at the time of our beginning work.

Currently this network is in a period of transition, which has been going on for a few years. With the additional funding we are able to make available this fiscal year, we can move them a good step forward in this transition.

Local programs are expanding on their work, which was primarily in owner-occupied rehab in the beginning, into the development of housing as owners and developers, both in new construction and rehabilitation of vacant units.

NEIGHBORHOOD REINVESTMENT FY 1990 FUNDING

The funding this year enabled us to create a revolving acquisition fund, which is a tool that very few nonprofits have. It is difficult for a non-profit organization to come up with the high risk money to take an option on a property, to get an engineering study, to do all the things that builders are able to do to determine if a project is feasible, and if it is not feasible, to walk away.

We can now make a reimbursable grant from the revolving acquisition fund, so if the engineering study shows that there is a coal mine shaft where you want the foundation to go, you walk away from it. If the engineering study shows it is a good thing, we will get our money back out of the final loan.

With the help of the secondary market fund provided by Neighborhood Housing Services of America, we see a very substantial leveraging on the funds that we are putting into this. In Austin, Texas, for instance, the Austin Mutual Housing Association has acquired about 200 units of property, 120 from Freddie Mac, a property that had been foreclosed on, and 92 units from a savings and loan association.

And they have been able to acquire these in the low 20s per unit, and are providing low- and moderate-income housing—unsubsidized—except for the tiny bit of subsidy that goes into the small grant we have made of $50,000 a year for three years as a guarantee of rental income as they rent-up, and a below-market loan provided by Neighborhood Housing Services of America.

We are expected to do this on more properties in the so-called oil patch. In Texas alone, we have either acquired—when I say "we," I am talking for the whole network—acquired or made offers on, or are in the process of making offers on 1800 units of property, which would be operated by Mutual Housing Associations for the benefit of low- and moderate-income residents.

Now, this is in an environment that right now does not have a housing shortage in any manner, shape or form, but there is a window of opportunity for an organization that wants to acquire these properties and hold them in perpetuity for low- and moderate-income occupants, to get them now virtually unsubsidized and hold them into the years when Texas gets back into the mainstream of our economy, when they will be a very desirable asset to have to help low- and moderate-income people with their housing needs.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

Appropriation Language

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), section 103 of the National Security Act (50 U.S.C. 404), and Reorganization Plan No. 3 of 1978, [$275,290,000] $277,042,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990; additional authorizing legislation to be proposed for $143,561,000.)

DISASTER RELIEF
Appropriation Language

For necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), [$100,000,000] $270,000,000 to remain available until expended.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990.)

["Sec. 108. (a) For necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), an additional $1,100,000,000 for fiscal year 1990 to meet the present emergency, to remain available until expended.] (Public Law 101-130, making further continuing appropriations for the fiscal year 1990.)

OFFICE OF INSPECTOR GENERAL
Appropriation Language

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, [$2,639,000] $3,905,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990.)

NATIONAL FLOOD INSURANCE FUND
Appropriation Language

(TRANSFERS OF FUNDS)

Of the funds available from the National Flood Insurance Fund for activities under the National Flood Insurance Act of 1968, and the Flood Disaster Protection Act of 1973, [$10,734,000] $11,078,000 shall, upon enactment of this Act, be transferred to the "Salaries and expenses" appropriation for administrative costs of the insurance and flood plain management programs and [$40,303,000] $45,023,000 shall, upon enactment of the Act, be transferred to the "Emergency management planning and assistance" appropriation for flood plain management activities. In fiscal year 1990, no funds in excess of (1) $32,000,000 for operating expenses, (2) [$165,000,000] $181,500,000 for agents' commissions and taxes, and (3) [$3,500,000] $20,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990.)

EMERGENCY FOOD AND SHELTER PROGRAM
Appropriation Language

There is hereby appropriated [$134,000,000] $124,991,000 to the Federal Emergency Management Agency to carry out an emergency food and shelter program pursuant to title III of Public Law 100-77, as amended: *Provided*, That total administrative costs shall not exceed three and one-half per centum of the total appropriation.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990.)

September 12, 1989

TABLE 1-B
NEIGHBORHOOD REINVESTMENT CORPORATION
REVISED FUNDING LEVELS - FY 1989, FY 1990 AND FY 1991

Based on FY 1990 Funding Recommendation of the Senate Appropriations Subcommittee on HUD, VA and Independent Agencies
Mark-up Occurring September 12, 1989

			NEIGHBORHOOD REINVESTMENT REQUES		OMB REQUESTED LEVELS	
	FY 1989 ESTIMATE	FY 1990 PROPOSED	FY 1991 CURRENT SERVICE LEVEL	FY 1991 INTERMEDIATE LEVEL	FY 1991 FREEZE LEVEL	FY 1991 5% BELOW FREEZE LEVEL
Congressional Appropriation	$19,494,000	$27,260,000	$28,186,840	$31,005,224	$27,260,000	$25,897,000
Interest and Other Revenue	1,224,000	1,499,000	1,539,000	1,663,000	1,499,000	1,439,000
Carry Forward From Prior Year	766,000	300,000	300,000	300,000	300,000	300,000
De-Obligation of Prior Year Grants	120,000	0	0	0	0	0
Return of Prior Year Grants	166,000	0	0	0	0	0
From Local Governments	200,000	250,000	250,000	250,000	250,000	200,000
TOTAL	$21,970,000	$29,309,000	$30,275,840	$33,218,224	$29,309,000	$27,836,000

INTEREST:
FY 1989 9.0%, FY 1990 8.75%, FY 1991 8.75% - all with $3,500,000 grant payable balance.

APPROPRIATION:

FY 1990 appropriation increase is primarily dedicated to the secondary market, revolving acquisition fund and mutual housing association development.

Levels Requested by Neighborhood Reinvestment:
FY 1991 Current Services Level is 3.4% more than the proposed FY 1990 appropriation.
FY 1991 Intermediate Level is 10% above the FY 1991 Current Services Level.

Levels Requested by the Office of Management and Budget:
FY 1991 freeze level, based on expected FY 1990 appropriation.
FY 1991 5% below freeze level.

We think that the help you gave us this fiscal year really launched the whole network into a different plateau in terms of the ability to undertake these projects.

To remain within the limitations, I will just touch on a few remaining points.

One, in reaching this new level of sophistication in our work, the Neighborhood Housing Services programs and Mutual Housing Associations are requiring more technical assistance from us than they have in the past to develop their capacity, to develop the computer tools they need to manage property and to develop property and that kind of thing, and to make sure they don't get into difficulty in what they undertake.

Small nonprofit organizations have frequently come to grief by biting off too big a chunk and not being able to digest it. We are there with our staff to analyze what they are doing and advise them and train them up to the capacity they need.

Finally, in an area that relates to what we have been doing over the years, we have attracted $3 billion in conventional lending in our neighborhoods. Although it's a lot of money, in recent years that flow has not been nearly up to what is needed. You cannot revitalize large neighborhoods with subsidized funds. You need a combination of subsidized funds and conventional funds.

We have been working with a group of leaders of the financial services industry to broaden the base, a concept called a "Social Compact with America's Distressed Neighborhoods." The Social Compact is designed to get a long-term commitment for a substantial increase in lending, not only for neighborhoods served by Neighborhood Housing Services, but for distressed neighborhoods throughout the country.

And in working with the industry, we have discovered that there is a fundamental lack in our system, which probably makes CRA only a token in terms of what needs to be done, and which will make this Social Compact a token unless we can deal with it; and that is that the existing secondary markets are not a ready vehicle for small loans, loans to low- and moderate-income borrowers.

There are a lot of lenders who do not offer for sale in the secondary market a loan they think might be graded as non-conforming and affect the yield on their whole package.

So there is only a certain number of loans lenders are willing to hold on the shelf, and that is going to be the limit to conventional lending to low- and moderate-income borrowers unless something is done about it.

We are working now on a pilot inventory with Freddie Mac to design a secondary market for small loans, loans in low- and moderate-income census tracts, which will be treated just as any other conventional loan except that they will become part of the backing for securities which will be sold to investors who want to make a statement about their support for low- and moderate-income housing.

We are dealing with a number of larger insurance companies that have said they would be quite interested in investing in such a vehicle if it has Freddie Mac's guarantee and if they can be assured it is a market-rate, marketable security.

And we understand many other large financial institutions would be interested in it if they thought it would help them in their CRA compliance. We see a terrific opportunity here to go beyond our work in revitalizing neighborhoods and correct this fundamental lack in our financial system.

With that, I will close my remarks and briefly respond to your questions.

[The statement of Mr. Whiteside follows:]

STATEMENT OF
WILLIAM A. WHITESIDE, EXECUTIVE DIRECTOR
NEIGHBORHOOD REINVESTMENT CORPORATION
BEFORE THE
HOUSE APPROPRIATIONS
SUBCOMMITTEE ON VA, HUD AND INDEPENDENT AGENCIES
ON
NEIGHBORHOOD REINVESTMENT CORPORATION
FISCAL YEAR 1991 BUDGET

APRIL 26, 1990

Mr. Chairman and members of the Committee, this year, thanks to your vote of confidence and the increased funding you made possible, the NHS/NeighborWorks Network is equipped to take a significant step forward in meeting the needs of lower income neighborhoods across America. The resources you have made possible are unleashing a level of grassroots energy and activity that surprised even me.

The Neighborhood Reinvestment Corporation continues to play a catalytic and developmental role in its national network of Neighborhood Housing Services (NHSs), Mutual Housing Associations and Apartment Improvement Programs (AIPs). Known as the NeighborWorks network, each of these local organizations is a working partnership of neighborhood residents, local business leaders and local government officials.

A federal appropriation of $26,554,000 is devoted in FY 1990 to providing technical, organizational development and financial assistance to the network of 157 local, non-profit organizations actively serving 265 neighborhoods in 42 states, the District of Columbia and the Commonwealth of Puerto Rico. The overall mission is the revitalization of distressed neighborhoods. To date, 79 neighborhoods have achieved a healthy, substantially "self-reliant" condition as a result of the NeighborWorks network's efforts.

Neighborhood Reinvestment resources, including staff and grants, often provide the critical ingredient: a grant at the earliest stage; a hands-on lesson in doing financial pro forma; a link to another program that has just successfully addressed a similar issue; a monitoring of progress that draws attention to an overlooked potential flaw or a workshop convening the partnership participants to carefully plan out their strategy.

Statistical measures of output continue to provide a solid basis for measuring the Corporation's and the NeighborWorks network's accomplishments. However, the human context is equally important. For instance, the Banning, California (population 17,202) NHS's plan to provide access to jobs for its under-employed, largely minority neighborhood residents; the San Antonio, Texas NHS's successful challenge to neighborhood drug dealers; and rental housing successes in such varied environments as Chicago, Syracuse, and Honolulu bring greater meaning to the NeighborWorks network's projected - through - FY 1990 cumulative $7.4 billion in reinvestment in over 300 neighborhoods, including 24,000 below-market loans totalling over $225 million, almost $3.0 billion in conventional lending, $159 million in commercial reinvestment, and 103,000 units directly rehabilitated or newly constructed.

NEW HOUSING DEVELOPMENT INITIATIVES

Scores of NHSs and our growing network of Mutual Housing Associations are at a point in their own organizational development where they are ready to move forward as significant housing developers in their communities through: 1) construction of new affordable homes on vacant neighborhood sites; and 2) converting neighborhood "lemons into lemonade," by a) bringing lower income families into homeownership in previously vacant, foreclosed properties, and by b) acquiring, rehabilitating and managing rental housing for long-term use by low- and moderate-income households. Both approaches result in additions to the nation's most critically endangered species: affordable housing.

MAINTAINING ONGOING NHS MISSION AND ACTIVITIES

It is important to stress that this housing development capacity is not being undertaken at the expense of the network's primary mission, namely: revitalizing distressed neighborhoods for the benefit of their current residents.

This mission and skill continues to be tested and refined in the most diverse of environments. By the end of FY 1990, over 90 neighborhoods will have achieved a state of health and "self-reliance" resulting in NHS services no longer being needed. This has allowed NHSs to direct their services to additional, and in many instances, tougher neighborhoods with higher proportions of rental stock and greater social need. Neighborhood Reinvestment continues to serve as a resource to the successor "self-reliant" neighborhood organizations, sharing information, making training available, and monitoring the neighborhoods' long-term health.

Examples of these tougher challenges are seen across the country. The City of Lawrence has the highest poverty rate of any city in Massachusetts and the two neighborhoods in which the NHS is working have twice the city poverty rate. These are poor, densely populated neighborhoods with an owner-occupancy rate of only 17 percent and an escalating drug-related crime problem. Working with Neighborhood Reinvestment staff, the NHS has concentrated its efforts on increasing the owner-occupancy rate in the neighborhood with the belief that the stability and commitment of new homeowners will help to restore confidence in the neighborhood and, therefore, help combat the growing drug-related activity.

In Atlanta, the NHS recently expanded its services into the University Center neighborhood. The neighborhood is a challenge for the NHS: 99 percent minority, predominantly elderly and low income households; 84 percent of the properties are rental. The goal of the NHS is to increase - through both infill housing and home purchase - the availability and stabilization of affordable housing for the current residents.

SPECIFIC HOUSING DEVELOPMENT ACTIVITIES

Attached to my testimony is a review of several stages of housing development initiatives currently underway (attachment A). These activities have been made possible by the creation of the Revolving Acquisition Fund, expansion of the NHS Secondary Market to meet the multifamily housing needs of our neighborhoods, and increased capacity of the traditional NHS secondary market for first and second mortgages for owner-occupied housing.

For example, the Mutual Housing Association of Austin has acquired two complexes within the last year, totalling over 200 units. They were foreclosed properties owned by lending institutions. The Association was able to leverage the needed mortgage financing with the help of relatively small NHSA loans and Neighborhood Reinvestment grants.

As another example of the use of our new housing development resources, the Chicago NHS is evaluating the acquisition and development of a 744 unit multifamily rental property. The estimated project cost is $18.5 million and Neighborhood Reinvestment and NHSA are playing an active role in evaluating the feasibility of the project. Neighborhood Reinvestment will also provide recoverable grants through the Revolving Acquisition Fund for preliminary engineering assessments of the property.

HOUSING DEVELOPMENT TECHNICAL ASSISTANCE

Critical to these local partnerships' abilities to move forward or, in some instances even contemplate these developments, is Neighborhood Reinvestment's expanded ability to strengthen their technical capacity. We endeavor to assure that the projects will be economically viable for the long term. This level of work is highly staff-intensive. We and NHSA have put in place a talented group of professionals to assure success in these local initiatives. Attachment B of my statement is an overview of the housing development services we are providing to local partnerships.

MUTUAL HOUSING ASSOCIATION ACTIVITY

As I noted earlier, our network of Mutual Housing Associations is growing in terms of numbers of Associations, unit production, and conceptual evolution. By the end of this year we anticipate approximately 900 units of housing to be under management of ten to eleven Mutual Housing Associations. These units are the result of both new construction, and acquisition of foreclosed and privately held properties. The Texas NHSs and Austin Mutual Housing

Association have, with Neighborhood Reinvestment's assistance, formed the non-profit Texas Mutual Reinvestment Corporation to acquire and hold foreclosed multifamily properties in Texas. Close analysis of over fifty (50) foreclosed multifamily properties encourages us to believe that hundreds of units can be obtained at a fraction of their production costs for operation of Mutual Housing Associations.

A major breakthrough for Mutual Housing development this year has been the evolution of the concept of "self-sufficiency requirements" for the Associations. This strategy takes into consideration the time it will take for an Association to become administratively self-sustaining -- no longer in need of administrative grant support from Neighborhood Reinvestment and other donors. The formula varies according to regional housing economies, and results in a five- to seven-year plan for creating a self-sufficient operation which all potential funders can take into consideration from the start of an Association's development.

Mutual Housing Associations are proving themselves equally viable in the soft real-estate markets of the "oil-patch" and in high-cost markets such as Stamford, Connecticut. A recent Federal Register announcement regarding availability of our assistance to local communities in creating Mutual Housing Associations resulted in responses from nearly 200 localities throughout the country. This list (attachment C) is tangible evidence of the demand for effective new tools for meeting affordable housing needs. The responses also evidenced a recognition by local groups of the importance in today's funding environment of Neighborhood Reinvestment's ability to leverage local resources and stand behind local programs with high quality technical services.

FINANCIAL CAPACITY DEVELOPMENT

This year's additional funding has enabled us to begin expanding the Corporation's capacity to strengthen the financial management capacity of local programs. With so many NeighborWorks organizations at major growth points in their development, this is of the highest priority. With this year's increased resources,we are creating, and will be implementing across the network, a financial management technical services system designed to assure that fiduciary soundness accompanies the network's programmatic growth.

FISCAL YEAR 1991 RECOMMENDATION

For FY 1991, the Administration's funding recommendation represents a decrease of 7.7 percent in appropriated funds from FY 1990. The Office of Management and Budget is proposing to achieve this level by $17,895,000 in new budget authority and a transfer of an estimated $6,605,000 in unobligated funds from the National Credit Union Administration.

The total outlays level of $24,500,000 would be $2,054,000 below FY 1990 outlays. Most of this reduction would be achieved through a reduction in grants, as recommended by OMB. We agree that this would be the most prudent way to achieve a reduction, as it would leave in place the increased technical services capacity made possible by the current year's increase.

I close by thanking you, on behalf of the entire NeighborWorks network, for your past and continuing support.

ATTACHMENT A

HOUSING DEVELOPMENT ACTIVITY

PROGRAM/ LOCATION	TYPE OF OWNERSHIP	# OF UNITS/ TYPE	TOTAL PROJECT COST	1ST MORTGAGE FINANCING	SECONDARY FINANCING/ SUBSIDY REQUIRED	NR/NHSA ROLE	COMMENTS
Austin	1. Mutual	122 Multi-Family	$2,996,347	$2,496,347 PM	$350,000 NH Loan $150,000 NR Grant	F	NHSA Provided Loans for Property Acquisition
	2. Mutual	92 Multi-Family	$1,680,000	$1,200,000 PB	$200,000 NH Loan $280,000 NR Grant	F	
Baltimore Mutual	1. Mutual	48 New Townhouses	$2,922,215	$500,000 PB	$1.1 Mill State 2nd $1.2 Mill HODAG 3rd $50,000 CDBG $50,000 NHS Equity	TA	NHSA Arranged $500,000 Construction Forward Commitment w/ Coop Development Bank
Baltimore NHS	Non-Profit	23 Scattered Rehab Rental	$1,351,800	$ 950,000 GB	$ 401,800 LITC $ 50,000 NR Grant	TA, F	
Camden NHS	1. Homeownership	17 TH Rehab	$ 1,463,904 E		$ 35,000 NR Grant	TA, FA	
Cambridge Community Housing	1. Non-Profit	9 Multi-Family	$772,000			FA	
Chicago NHS	1. Non-Profit	744 Multi-Family	$18,500,000		$ 65,000 NR Grant	FA	
	2. Homeownership Purchase Program	70 Single Family	$4,400,000	$4,000,000 PB		F	NHSA Committed First $250,000 Toward $4.0 Goal
	3. Non-Profit	20 Multi-Family Rehab Rental	$225,934	$225,934 NH		F	
Dallas NHS	1. Homeownership Purchase Program	14 New Single Family 9 Rehab Single Family	$1,150,000	$1,000,000 PB		F	NHSA Committed First $200,000
	2. Mutual ([illegible])	18 MF Rehab	$ 398,587 E	$ 329,880 NH		TA, FA	
	3. Mutual ([illegible])	35 MF Rehab	$ 422,334 E	$ 349,534 NH		TA, FA	
	4. Mutual ([illegible])	232 Rehab	$ 3,125,564 E			TA, FA	
Detroit NHS	1. Homeownership	20 Scattered Rehab Single Family	$560,000	$26,600/u FN		TA	
Ft. Worth NHS	1. Homeownership	25 Scattered Rehab Single Family	$750,000	$28,500/u FN		TA	

PROGRAM/ LOCATION	TYPE OF OWNERSHIP	# OF UNITS/ TYPE	TOTAL PROJECT COST	1ST MORTGAGE FINANCING	SECONDARY FINANCING / SUBSIDY REQUIRED	NR/NHSA ROLE	COMMENTS
Jersey City NHS	1. Cooperative	8 Multi-Family & 5 Commercial Spaces	$615,051	$360,000 GB	$151,500 State $53,551 NHS Equity $50,000 NR Grant	TA	
	2. Cooperative	11 Multi-Family 1 Commercial Space	$585,176	$236,150 GB	$211,040 State $121,487 City $16,500 NHS Equity	TA	
	3. Non-Profit	36 Multi-Family Rehab Rental	$1,445,696	$400,000 GB	$119,543 County $260,500 City $120,000 City $545,653 State	TA	
Kansas City NHS	1. Non-Profit	12 Multi-Family Rehab Rental	$262,882	$208,115 NH	$55,000 NR Grant	TA ,F	NHSA Provided First Mortgage
	2. Non-Profit	36 Multi-Family Rehab Rental	$804,184	$145,995 GB $145,995 NH	$442,301 City 2nd $48,739 NR Grant $21,105 NHS Equity	FA, F	NHSA and State First Mortgage 18 Units Each
	3. Non-Profit	43 Multi-Family Rehab Rental	$1,780,771 E			TA	
La Habra NHS	1. Non-Profit	18 Multi-Family New Rental	$1,263,032	$608,032 AF	$275,000 County 2nd $375,000 City Land $5,000 NHS Equity	TA	
	2. Homeownership	5 New Townhouses	$440,000	$343,000 CB		TA	
	3. Non-Profit Homeownership	16 Rehab Rental + 21 FS Rehab	$800,000 E $630,000 E			TA	
Lawrence NHS	1. Homeownership	20 Scattered 3 Family Units	$800,000	$400,000	$320,000	TA, F	NHSA Provided a $200,000 Forward Commitment for 1st Mortgage Financing
Newark AIP	1. Non-Profit	17 MF Rehab Rental	$ 2,030,200 E			TA, FA	
Oakland NHS	1. Non-Profit	20-30 New Multi-Family Rental	$2,000,000 E			TA	
	2. Homeownership	10 New & 20 Rehab	$1,200,000 E			TA	

PROGRAM/ LOCATION	TYPE OF OWNERSHIP	# OF UNITS/ TYPE	TOTAL PROJECT COST	1ST MORTGAGE FINANCING	SECONDARY FINANCING / SUBSIDY REQUIRED	NR/NHSA ROLE	COMMENTS
Pasadena NHS	1. Non-Profit	12 Multi-Family Rehab Rental	$825,579	$370,000 PM	$295,000 City 2nd $ 92,315 NHS Equity $ 68,579 NR Grant	TA	
	2. Homeownership	7 New Townhouses	$772,867	$682,250 GB	$151,000 City 2nd $186,000 Local Funds	TA	
	3. Homeownership	3 New Townhouses	$453,075 E			TA	
Phoenix NHS	1. Non-Profit/ Homeownership	28 Multi-Family Rehab	$913,245	$574,500 PB	$250,000 City 2nd $88,745 NHS Equity	TA	
Sacramento Mutual	1. Mutual	36 Multi-Family Rehab	$1,370,000	$321,586 PM $324,747 NH	$245,529 Tax Increment $478,138 City	TA, F	NHSA and a Consortium of S&Ls are Providing 1st Mortgages for 20 and 16 Units Respectively
Saginaw NHS	1. Non-Profit	6-20 Single Family Rental	$300,000 E			TA	
San Antonio NHS	1. Mutual ([illegible])	132 MF Rehab	$ 1,360,898 E	$ 825,169 PB $ 216,233 NH	$ 375,000 NR Grant $ 245,650 City	TA, FA	
	2. Mutual ([illegible])	125 MF Rehab	$ 1,262,104 E	$ 797,432 PB $ 206,787 NH	$275,000 NR Grant $ 134,650 City	TA, FA	
	3. Mutual ([illegible])	22 MF Rehab	$ 308,685 E	$ 231,942 NH		TA, FA	
	Total:	**2,172 Units**	**$ 62,942,130**				

1st Mortgage Financing/Types

PB:	Private Conventional Permanent Loan Below Market Rate
PM:	Same as Above w/ Market Rate
CB:	Private Construction Loan Below Market Rate
CM:	Same as Above w/ Market Rate
AP:	S & L Affordable Housing Legislation Below Market Rate Permanent Loan
FN:	FNMA Homeownership 1st Mortgage
NH:	NHSA 1st Mortgage Below Market w/ Investor or Secondary Market Loan
GB:	Local or State Below Market Permanent Mortgage
LITC	Low Income Tax Credit

NHSA Role

TA:	Technical Assistance
F:	NHSA Provided a Portion of the Project Financing Directly
FA:	NHSA and NR Evaluating Only the Financing Needs of a Project
E:	Estimate

Note: NHSA is working with Neighborhood Reinvestment staff and the Mutual Housing Association of Hartford to explore alternative financing for future projects, including the feasibility of utilizing 501(c)3 bonds.
NHSA is working with Neighborhood Reinvestment staff to explore 1st mortgage financing for homeownership development projects in Elgin, Illinois, St. Petersburg, Florida, St. Paul, Minnesota, and Pueblo, Colorado in addition to financing for projects listed above.

ATTACHMENT B

OVERVIEW HOUSING DEVELOPMENT SERVICES: NEIGHBORHOOD REINVESTMENT & NHSA

Nature of Technical Assistance

A. Project Capacity Building

- Defining Project Goals
- Determining Appropriate Staffing
- Staff Recruitment
- Budgeting Assistance (establishing categorical budgets)
- Fund Raising Assistance
- Improved Financial Management

B. Pre-Development

- Engineering Studies
- Market Studies
- Appraisals
- Soil Testing
- Development Budgets and Operating Pro Formas
- Preliminary Site Control (obtaining options)
- Architectural Drawings

C. Acquisition and Construction

- Completing Site Control
- Developing Specifications
- Preparing Loan Packages
- Obtaining Financing Commitment
  - . Construction
  - . Permanent
  - . Equity Participation
- Monitoring Construction

D. Occupancy

- Marketing (for sale and/or rentals)
- Screening Clients
- Property Management Planning
- Collection System for Rent and Maintenance

Time Frame	Resource Need	Potential Sources
Organization Development and Planning	Additional Funding for Expanded Staff	Neighborhood Reinvestment Capacity Building Grants Fund Raising Assistance
	Improved Financial Management	Neighborhood Reinvestment Technical & Financial Assistance NHSA Computer Accounting Design
Pre-Development	Revolving Fund or Seed Capital for Engineering Soil Testing, Appraisal, etc.	Neighborhood Reinvestment Revolving Fund for Acquisition & Pre-Development Fund Raising Assistance Local Government Pre-Development Loans *Co-op Development Bank/NHSA Fund
Acquisition and Construction	Construction Loan	Local Lenders Local Government *Co-op Development Bank/NHSA Fund
Completion	Permanent Financing	Market Rate First Mortgag Conventional Loan *FNMA *FHLMC Below Market Rate First Mortgage *State Housing Finance Agencies (incl. 501(c)3 Bonds *Affordable Housing Funds (S&L Legislation) Community Reinvestment Lending *NHSA Social Investments

*Funding Resources Being Developed

Completion (Cont'd)

Equity Funding
Grant Funds - NR
    *Private
    *Local Government
Low Income Tax Credits
*Gap Loans (Short Term
  Equity Loans from NHSA)
  Loans for Down Payment
    or Closing Costs

Below Market Rate
Secondary Financing
NHS Revolving Loan Fund

Municipal Government
  Community Development
    Block Grant (CDBG)
  Rental Rehab
  Tax Increment Funds

State Loan Programs

NHSA Social Investors

ATTACHMENT C

Federal Register Announcement Inquiries (2/15/90)

Alabama
Birmingham: JCCEO

Arizona
Mesa: Community Counsel
Flagstaff

Arkansas
Blytheville: Mississippi County EOC
Fayetteville: EOA - WC
Littlerock: Arkansas Dept. Human Services

California
Alameda: Community Development Dept., City of Alameda
Clearlake: North Coast Opportunities
Davis: Davis Community Housing
Escondido: Norse County Housing Federation
Livermore: ECHO Housing
Los Angeles: Portals
Modesto: City of Modesto, Housing Program Office
Merced: Merced County Economic Development
Palm Desert: Coachella Valley Housing Coalition
San Diego: God's Kids
San Francisco: Innovative Housing
San Jose: HCD, County of Santa Clara
San Mateo: HIP
Santa Rosa

Connecticut
New Haven: Office of Housing and Neighborhood Development
New Haven: Home Inc. and Regional Water Authority

Delaware
Wilmington

Florida
Clearwater: Community Development
Miami: Coconut Grove Local Development Corporation
Miami Beach: Miami Beach Development Corp.
St. Petersburg: Boley Inc.
Stanford: Community Services
Tampa: Community Development Dept. Hillsboro County

Georgia
Atlanta: New Century Housing Corporation
Atlanta: Transition House Inc.
Macon: Macon-Bibb Housing Association

Illinois
Congressman Rostenkowski's office
Belleville: Bruce, Dace, and Assoc.
Chicago: Child Serv
Chicago: Access Living
Chicago: Ex. Covenent Development Corp.
Decalb: Jubilee Services
Marion: Illinois Dept. of Commerce and Community Affairs
Waukegan: Lake County Community Action Project

Indiana
Columbus: First Presbyterian Church
Gary: City of Gary Planning Dept.
Gary
Gary: Morning Bishop
Hammond: Dept. of Planning and Development
Indianapolis: City of Indianapolis
Richmond: Star District Neighborhood Assoc.
South Bend: Housing Assistance Office, Inc.
Valparaiso: City Planner

Iowa
Remsen: Mid Sioux Opportunity Inc.

Kentucky
Lexington: Grant Consultant

Louisiana
New Orleans: Christian Fellowship
New Orleans: Urban Services Foundation
Slidell: St. Tammany Parish Community Action Agency

Maine
Bangor: Opportunity Housing Inc.
Caribou: Anoostook Mental Health
Portland: Peoples Regional Opportunity Program
Portland: Portland West Neighborhood Planning Council

Maryland
Annapolis: Planning Dept.
Baltimore: Maryland Clearinghouse, Office of Planning
Baltimore: Community Assistance Network
Baltimore
Baltimore: Harlem Park Restoration Group
Silver Spring: McAuley Institute
Westminster: City of Westminster

Massachusetts
Boston: Dome, Inc.
Cambridge: City of Cambridge Community Development
Fitchburg: CDC of Fitchburg
Haverhill: Community Action Inc.
Hoyloke: Valley Opportunity Council
Somerville
Springfield: McKnight Neighborhood Council

Michigan
Ann Arbor: Washtenaw Affordable Housing Corporation
Caro: Human Development Commission
Detroit: America Non-Profit Housing Corp.
Detroit: Detroit Non-Profit Housing Corp.
Flint: Salem Housing Task Force
Grand Rapids: Degage Ministries
Pontiac: Pontiac Area Lighthouse
Warren: City of Warren, Director of Planning

Minnesota
Mankato: Minnesota Valley Action Council
Spring Lake Park: Anoka County Community Action

Mississippi
Jackson: State of Mississippi Dept. of Human Services
Moss Point: Jackson County Civic Action Committee

Missouri
Marionville
St. Louis: Good Samaritan Service Center for the Homeless
St. Louis
St. Louis: Women Action Crusaders

Nebraska
Lincoln: Urban Development Dept., City of Lincoln
Omaha: Lao-Hmong Assoc. of Nebraska
Omaha: Holy Name Housing Corp.
Omaha: Omaha Ceconomic Development Corp.

New Hampshire
Nashua: Harbor Homes Inc.
Nashua: Urban Programs Dept., City of Nashua
Portsmouth: Portsmouth Planning Dept.

New Jersey
Belvidere: Warren County Affordable Housing Coalition
Bridgeton: TRI County Community Action Agency
Camden: Camden Redevelopment
Camden: City of Camden Redevelopment Agency
Cherry Hill: Fair Share Housing Development
Irvington: Valley Housing Corp.
Mountclair: HOME Corp.
Mt. Holly: Homes of Hope Inc.
New Brunswick: Housing Coalition of Middlesex County

New Brunswick: Brunswick Raritan Housing Corp.
Pennsauken: Camden County Dept. of Policy Planning and Development
Penns Grove: Puerto Rican Action Committee
Phillipsburg: Catholic Charities
Vineland: Casa Prac, Inc.

New Mexico
Albuquerque: EOB
Albuquerque: Housing Planner, Albuquerque Dept. of Human Services
Albuguerque

New York
Albany: Hospitality House
Brooklyn: Black Veterans for Social Justice, Inc.
Brooklyn: NHA of Bedford Stuyvestant
Brooklyn: St. Christopher-Ottilie
New York City: N.Y. State Office of Mental Health
New York City: Manhattan Valley Development Corp.
New York City
New York City: Dept.of Housing Preservation and Development
Niagara Falls: Training Young People for Excellence
Poughkeepsie: Hudson River Housing Inc.
Rochester: Northwest Community Services
Rockaway
Smithtown: Suffolk County Community Development Director
Troy: TRIP
White Plains: Westchester Residential Opportunities Inc.
Yonkers: Office of Federal and State Aid, City of Yonkers
Yonkers: Yonkers Community Action Program
Yonkers: Yonkers Human Rights Commission

North Carolina
Durham
Waynesville: Mountain Project Inc.

Ohio
Akron: Alpha Phi Alpha Homes Inc.
Caldwell: GMN Tri County Community Action
Cincinnati: EXCEL Development Inc.
Cleveland: C. English Realty
Columbus: Private Industry Council
Napoleon: American Red Cross

Oklahoma
Miami: Community Crisis Center Corp.

Oregon
Bend: Salvation Army
Portland: City of Portland Bureau of Community Development
Portland: Better Housing Trust Corp.
Springfield: City of Springfield Development Services

Pennsylvania
Chester: Mayor
Chester: Providence Avenue United Methodist Church
E. Strousburg: Redevelopment Authority of Monroe County
Emmaus: Valley Housing Development Corp.
Erie: Booker T. Washington Center
Harrisburg: Harrisburg Urban League
Media: Community Action Agency of Delaware County
New Castle: Allied Human Services Association
Philadelphia: Heritage Community Economic Development Corp.
Philadelphia: Community Education and Development Centers Inc.
Phildaelphia: Resources for Human Development
Pittsburgh: Community Technical Assistance Center
Sharon: Mercer County Community Action
Yardley: Ally Corp.

Puerto Rico
Bayamon: Technical Assistance for Economic Development
San Juan: Municipality of San Juan

Rhode Island
R.I. Housing Mortgage Finance Corp.

South Carolina
Columbia: Providence Homes

Tennessee
Knoxville: Eastern Tenn. Community Design Center
Memphis
Somerville: Fayette Cares

Texas
Amarillo: Panhandle Community Services
Dallas: Just in Time Work and Housing Fund
Fort Worth: Mental Health Assoc. of Tarrant County
Houston: Gulf Coast Community Services Assoc.
Houston: Freedmans Town Association
San Antonio: Community Action Division of City of San Antonio

Virgina
Alexandria
Falls Church: Lazarus at the Gate
Providence Forge: Community Agency
Roanoke: City of Roanoke, Grants Monitor

Washington
Everett: Housing Hope
Olympia: State Dept. of Community Development, Housing Division
Olympia: Bread and Roses
Seattle: CHHIP
Seattle: Evergreen Legal Services
Seattle: King County Housing and Economic Development
Spokane: Spokane Housing Authority

Washington D.C.
My Sisters Place
Mid-east Commission Area Agency on Aging

West Virgina
Marlinton: Community Action
Parkersburg: Parkersburg Housing Authority

Wisconsin
Glenwood City: WestCAP
Kenosha: Planning Counsel for Health and Human Services
Madison: Wisconsin Housingand Economic Development Authority
Milwauke: Milwauke Housing Assistance Corp.
Stevens Point: CAP Services

Mr. TRAXLER. Thank you very much, Mr. Whiteside. Your budget is comparatively miniscule, but I think your work product is incredibly fine.

We are getting amazing results for the dollars that we are providing you, so we want you to know how appreciative we are in the subcommittee.

I think we speak for many of the people in the urban areas who have benefited from your counsel and technical assistance. We hope you will be able to continue in the fine fashion that you have been.

Looking at the new activities undertaken by the Corporation as outlined in your budget supplement, which provides a breakdown of $6 million in additional funds appropriated to NRC above its fiscal 1990 request. Could you briefly tell us in what ways you plan to spend these additional funds?

Mr. WHITESIDE. May I respond to that for the record?

Mr. TRAXLER. Yes.

And also tell us which of those activities correspond with the activities you proposed to us last year when you outlined how additional monies could be spent.

Mr. WHITESIDE. I certainly will respond.

[The information follows:]

FY 1990 SUPPLEMENTAL BUDGET SCHEDULE

APPROXIMATE COST ALLOCATIONS BY ACTIVITY
ACTUAL FY 1989, ESTIMATED FY 1990, AND PROJECTED FY 1991

The following analysis is designed to supplement the Neighborhood Reinvestment Corporation's FY 1991 Budget Justification and to provide functional data in the areas of emphasis in Senate Report 101-128 regarding utilization of $6 million in funding above the amount originally requested for FY 1990. This $6 million was reduced to $5.836 million after proportional reductions necessitated by Gramm-Rudman-Hollings and Section 517, H. Rpt. 101-297.

FUNCTIONAL AREA	INCREASED FUNDING FOR FY 1990
Furthering secondary mortgage market activities	$1,700,000
Revolving acquisition fund	500,000
Expanding Mutual Housing Associations	2,255,000
Establishing a Hawaii Field Office	196,000
Assisting NeighborWorks Organizations with capacity development	1,185,000
TOTAL INCREASE	$5,836,000

The amounts shown are necessarily estimates, since the Corporation's cost centers do not exactly track the above functional categories; however, we are confident that they are reasonable approximations.

Furthering Secondary Mortgage Market Activities

Program Highlights

	1989	1990	1991
Grants	$1,830,000	$3,530,000	$2,250,000
Other Programmatic Expenses *	- 0 -	- 0 -	- 0 -
Corporate Administrative Costs *	- 0 -	- 0 -	- 0 -

* Reported under capacity development.

Results:			
NHS loans purchased	5,041	10,000	6,400[1]
Multifamily lending	5,500	20,000	12,700[1]

Fiscal Year 1989

In 1989, with a level of $1,830,000 in Congressional support, the NHSA secondary market was able to provide 3,239 loans for home repair and home purchases totalling approximately 11,336 disadvantaged NHS residents at interest rates that averaged 7 percent.

Fiscal Year 1990

In 1990, as a result of the increased congressional appropriation of $1,700,000 over 1989, NHSA will be:

1) purchasing approximately $10 million dollars in home rehabilitation and home purchase loans from over 60 NHSs.

2) for the first time, NHSA will directly originate or broker loans for $20 million in multifamily housing. This is expected to leverage $100 million in loans and grants from other sources for multifamily housing owned or managed by NeighborWorks organizations.

To facilitate NeighborWorks organizations entertaining large-scale housing development initiatives necessitated a team of a trained, professional staff who had extensive experience in the field of housing development. This newly created NHSA housing development team works with local programs to strengthen capacity at a neighborhood level, as well as assisting with necessary financing that will achieve long-term financial soundness for these housing initiatives.

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[1] These are more precise estimates than those appearing in table 7, page 32 of the Budget Justification.

Fiscal Year 1991

Under the Administration's budget request, a reduction of $1,280,000 is proposed for 1991. This amounts to a 36% reduction, and will result in the following consequences:

1) Reduction in NHSA's ability to buy NHS owner occupied home-purchase and rehabilitation loans by $3.6 million, down from $10 million in 1990;

2) Reduction in NHSA's ability to directly finance and/or secure primary financing on multi-family loans by $7.3 million, down from $20 million 1990; and

Program Description

Neighborhood Housing Services of America, Inc. (NHSA) was chartered in 1974 as a private, non-profit corporation established to provide services to local Neighborhood Housing Services programs. NHSA brings added private sector strength to the efforts of the NHS-NeighborWorks network and, through a unique secondary market, gives the NHS programs access to the private investor market as a resource for replenishing their own revolving loan funds. In addition, NHSA provides resource and leadership development assistance to local organizations and any other "services it can perform more effectively than the (Neighborhood Reinvestment) Corporation, (P.L. 95-557)."

NHSA is a separate and distinct organization from Neighborhood Reinvestment Corporation. It is administered by a 34 person staff, and governed by a Board of Directors composed of individuals representative of the NHS resident-public-private partnership. NHSA's president serves as an advisor to the Neighborhood Reinvestment Corporation officers, and Neighborhood Reinvestment's chief executive serves as an advisor to NHSA's Board of Directors. Funds are derived from private sources, income through investors in the secondary market operations, and direct grant support.

Secondary Market Operations:

NHSA operates 3 types of secondary markets for the NHS-NeighborWorks network. They are:

A. The traditional secondary market for NHSs' loans to non-bankable residents for critically needed home repairs and or home purchase loans.

B. The Congressionally encouraged secondary market initiative to meet the multi-family housing finance needs in NeighborWorks neighborhoods.

C. A pilot secondary market for loans local governments have made for below market loans for home rehabilitation and purchases.

A. The traditional secondary market for NHS home repair and purchase loans.

NHS loans are made to "non-bankable" residents, usually defined as individuals who because of age, credit history or income cannot qualify for a conventional loan. These loans are needed for critical home repairs and/or home purchases and are made with interest rates and terms tailored to the individual's ability to repay. NHSs nationally, through 1990, expect to have made over 24,000 such loans totalling over $225 million at interest rates and terms which average 6.5% over 12 years.

Secondary Market Need:
Because NHS revolving loans are tailored to meet the needs of low income residents, they have extended terms. Thus, the funds revolve slowly, creating a need for a source of liquidity to replenish the NHS's ability to make loans and continue to meet the financing needs of the neighborhood. NHSA steps in to purchase packages of loans from the local NHSs which provides the necessary infusion of capital. NHSA, in turn, combines these loans into pools, and issues securities backed by the loans. The securities are then sold at below market rates to institutional investors, primarily insurance companies.

Neighborhood Reinvestment Support:
Since investors purchase at below market rates, (about 3 points below market) NHSA requires capital to do the following: 1) to bridge the gap between the investor rate and that of the NHS borrower; 2) to warehouse the capital needed to purchase a pool loans, and; 3) to provide a guarantee fund to protect the investor from losses. The Neighborhood Reinvestment grant is the primary source of funding for this leverage fund.

Experience to Date:
Nationally, NHSA has purchased 3,300 loans for owner-occupied housing and sold notes backed by these loans to institutional investors at below market rates at an amount totalling $38.4 million. No investor has experienced losses to date and response to this financing mechanism continues to be positive, resulting in institutional investors' having made commitments to purchase an additional $8 million in loans this year.

B. Secondary market for NHS-NeighborWorks multifamily lending.

As of 1988, over 57% of the housing units in NeighborWorks neighborhoods were rental. The network became concerned about the need to protect such multi-family housing for low- and moderate-income residents over a long term period. Congressional sponsorship gave NHSA the ability to originate financing and/or broker placement of loans with private investors on multi-family real estate owned by NeighborWorks organizations.

C. Secondary market pilot for local government loans.

The Allstate Insurance Company is working with NHSA to develop the financial and legal vehicle for a purchase of $10 million of

NHSA notes backed by local government loans as a pilot project. Loans are to be purchased from local governments by NHSA with recourse. With no leverage funds to permit these loans to be purchased at par, Allstate, as a social investment, is providing an interest subsidy that will produce a near market rate yield and will cover administrative costs. Dialogue and portfolio analyses were undertaken with four local governments and draft legal contracts with Allstate have been completed and are presently being reviewed by local counsel in two cities.

A REVOLVING ACQUISITION FUND

Program Highlights

	FY 1989	FY 1990	FY 1991
Grants	-0-	$500,000	$500,000
Other Programmatic Expense *	-0-	-0-	-0-
Corporate Administrative Costs *	-0-	-0-	-0-
Total	-0-	$500,000	$500,000

* Costs are reported under capacity development.

Results:			
Local Programs Assisted	-0-	15	20
Units Evaluated	-0-	2,000	2,500
Units Acquired	-0-	1,200	1,500
Grant Reimbursements	-0-	-0-	$125,000

Fiscal Year 1989

Because this program did not exist in FY 1989, several opportunities for NeighborWorks organizations to acquire and rehabilitate foreclosed properties were lost because of the lack of "risk capital" for predevelopment costs. Therefore, we developed the concept of a revolving acquisition fund which could advance funds for initial engineering and architectural surveys, options, etc., to be reimbursed out of the construction loan or permanent financing. (In those instances where the surveys or other conditions indicate that the acquisition should not be consummated, the reimbursable grant would be forgiven.)

Fiscal Year 1990

The additional funding permitted Neighborhood Reinvestment's Board of Directors to approve a $500,000 revolving acquisition fund in the Corporation's FY 1990 budget. Experience to date in FY 1990 indicates that this is a critically important tool for creating the capacity for neighborhood-based organizations to acquire, rehabilitate and operate low- and moderate-income housing, though projections of units evaluated and units acquired are still tentative.

Fiscal Year 1991

The proposed $500,000 FY 1991 funding for the revolving acquisition is projected to be supplemented with $125,000 in reimbursements from the previous year's grants, with additional repayments expected in future years. (This projection, along with projections of units evaluated and units acquired is quite tentative.)

PROGRAM DESCRIPTION: Revolving Acquisition Fund

The revolving acquisition fund was adopted as an eligible grant activity in September 1989 by the Neighborhood Reinvestment Corporation's Board of Directors in response to the increasing numbers of vacant/foreclosed properties held by the Department of Housing and Urban Development, the Resolution Trust Corporation, the Department of Veteran's Affairs, and local financial institutions.

Numerous NeighborWorks organizations had indicated in a 1988 needs assessment that the growing number of vacant/foreclosed properties were negatively impacting accomplishments already achieved as well as jeopardizing the development of future projects. In a meeting held in June 1989, many NHS executive directors indicated that this was the major limitation in expanding the amount of affordable housing in their neighborhoods.

The presence of a significant portion of foreclosed properties in a neighborhood is devastating -- inviting drugs and related crime, arson, and increased loss of real estate values. If these buildings could be acquired before reaching such a deteriorated state, they could offer safe, affordable housing options for low- and moderate-income households.

In many instances, NeighborWorks organizations have been prevented from acquiring a foreclosed property in the neighborhood due to lack of resources for engineering surveys, architectural studies or other "predevelopment" items to confirm feasibility. In the preliminary stages, the risk in such an undertaking is high, and it is difficult for NeighborWorks programs to secure financing.

Throughout fiscal year 1989, local NeighborWorks organizations impacted by vacant/foreclosed properties requested grant assistance from Neighborhood Reinvestment. In November 1989, a local NeighborWorks program requested a $300,000 loan to acquire a 242-unit complex in good condition held by the Federal Asset Disposition Agency (FADA). The loan would have been repayable upon receipt of permanent financing. Due to limited resources, Neighborhood Reinvestment was unable to respond; today, these units are gutted shells.

In FY 1990, $500,000 has been budgeted to establish a revolving acquisition fund. To date, over $2 million in preliminary requests have been received. To qualify for a grant, a local NeighborWorks organization must submit a project-specific proposal. The 2,600 units represented in these requests for funds reflect $76.6 million in lending activity. While not all projects will come to fruition, the response has been overwhelming.

EXPANDING MUTUAL HOUSING ASSOCIATIONS

Program Highlights

	FY 1989	FY 1990	FY 1991
Grants	$ 480,000	$1,973,000	$1,671,000
Other Programmatic Expenses	452,000	902,000	855,000
Corporate Administrative Costs	315,000	627,000	594,000
Total	$1,247,000	$3,502,000	$3,120,000

Fiscal Year 1989

By the close of FY 1989, eight Mutual Housing Associations were operational. They were located in: Baltimore, Maryland; the Lower East Side of New York City; Austin, Texas; Hartford, Norwalk and Stamford, Connecticut; Ithaca, New York; and Sacramento, California. Neighborhood Reinvestment was able to provide administrative support grants to three Associations.

Fiscal Year 1990

Additional resources made available in FY 1990 will allow Neighborhood Reinvestment to provide developmental assistance and assistance in acquiring properties to up to eight new Associations. Technical services, property acquisition assistance and staff and board training will also be made available to the eight operational Mutual Housing Associations. To take advantage of the current surplus of foreclosed multifamily housing in Texas, the Texas Mutual Reinvestment Corporation has been organized by the Austin Mutual Housing Association and the Dallas, Houston and San Antonio NHSs to acquire and hold foreclosed properties in Texas for later transfer to Mutual Housing Association ownership.
By the end of the fiscal year, an estimated 1,000 units will be under the management of ten to eleven Mutual Housing Associations.

Fiscal Year 1991

Neighborhood Reinvestment will develop up to eight new Mutual Housing Associations. Overall an estimated 2,000 units will be under the management of 13 to 15 Associations.

PROGRAM DESCRIPTION -- Mutual Housing Associations

Neighborhood Reinvestment began adapting the Western European model of mutual housing associations to the United States 10 years ago. A Mutual Housing Association, based on the Neighborhood Reinvestment model, is a new combination of title and tenure which offers low and moderate income association resident members a step up from rental -- not individual ownership, but a life long residency privilege and a voice in everyday management decisions.

Mutual Housing Associations are distinct in several ways from other American approaches to mutual and cooperative housing. With broad participation from the public and private sectors, Mutual Housing Associations are designed to be continuous producers of additional affordable housing. By comparison, cooperatives generally lack this long term public purpose.

Upon incorporation, each Association adopts a self-sufficiency plan to define at what point in unit production the Association will be self-sustaining and no longer in need of administrative support from outside organizations.

The objective of an Association is to minimize debt service costs and to provide security of tenure and long term affordability for resident members. To achieve this, "front-end" capital grants are used and below-market rate financing is secured when available. Neighborhood Reinvestment and NHSA, within resource limitations, are providing both grants and loans to Associations.

The Association, as a corporate entity, owns its properties, renting units to its members. The members pay a capital fee to qualify for a unit (approximately 5% of the value of the unit) which is returned with nominal interest when they leave. Although members do not participate in capital appreciation, they enjoy a voice in management and the security of long-term tenure.

A Mutual Housing Association has a special form of governance. Its Board of Directors is a public/private/community/resident partnership. Residents of association units and members waiting for units compose a majority of the Board. The other members are representatives of the communities in which the Association operates, local and state governments, housing professionals and business people.

Mutual Housing Associations are currently operational in Baltimore, Maryland; New York City (Lower East Side of Manhattan), New York; Hartford, Connecticut; Norwalk, Connecticut; Stamford, Connecticut; Austin, Texas; Sacramento, California; and Ithaca, New York.

ESTABLISHING A HAWAII FIELD OFFICE

Program Highlights

	FY 1989	FY 1990	FY 1991
Grants	$ -0-	$ -0-	$ -0-
Other Programmatic Expenses	-0-	116,000	116,000
Corporate Administrative Costs	-0-	80,000	80,000
Total	$ -0-	$196,000	$196,000

Fiscal Year 1989

In fiscal year 1989 no funds were available to establish a permanent office in Hawaii. The NHS development in Honolulu was staffed by mainland personnel at a substantial cost to the Corporation.

Fiscal Year 1990

In fiscal year 1990, $196,000 of the increase in funding was used to establish a permanent office in Hawaii. This amount provides funds for two staff members based in Hawaii plus related operating expenses. This staff supports the NHSs in Honolulu and Nanakuli while assessing new developments in other locations.

Fiscal Year 1991

We plan to continue funding the office at approximately the same level in fiscal year 1991.

ASSISTING NEIGHBORWORKS ORGANIZATIONS WITH CAPACITY DEVELOPMENT

Program Highlights

	FY 1989	FY 1990	FY 1991
Grants	$ 566,000	$ 751,000	$ 725,000
Other Programmatic Expenses	357,000	947,000	966,000
Corporate Administrative Costs	248,000	658,000	671,000
Total	$1,171,000	$2,356,000	$2,362,000

Fiscal Year 1989

Fiscal year 1989 was the first year in which Neighborhood Reinvestment funded activities in this category. In fiscal year 1989 we assisted 22 organizations with capacity development grants.

Fiscal Year 1990

Neighborhood Reinvestment will place an increased emphasis on assisting NeighborWorks organizations in improving their financial management and internal systems. This will be done in order to prepare them to address the increased demands on their management systems generated by increased real estate development activity.

Fiscal Year 1991

Despite a decrease in funding from fiscal year 1990 to fiscal year 1991, we anticipate maintaining the level of grant assistance to approximately 37 NeighborWorks organizations.

PROGRAM DESCRIPTION

The capacity building activity is designed to provide resources to NeighborWorks programs undertaking projects which require an enhanced level of sophistication in financial management, real estate development, and computerization. The financial management focus in this grant activity has significantly increased over fiscal year 1989 due to the increased need related to furthering the secondary market, the revolving acquisition fund, and expanding mutual housing associations.

A program is currently being developed (for full implementation in FY 1991) to review and strengthen the financial management of all active programs.

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addition

Q: And also tell us which of those activities corresponded with the activities that you proposed to us last year when you outlined how additional monies could be spent.

Last year in response to a question from Congresswoman Boggs regarding use of an additional $10 million in FY 1990, we responded that we would increase our staffing and capacity development grants to NeighborWorks programs and similarily in staffing and grants to deal with drug related issues; increase resources available for the development of Mutual Housing Associations; provide capital for multifamily acquisition and rehabilitation; create a revolving acquisition fund.

Following reductions mandated by Gramm-Rudman-Hollings and section 517, H.Rpt. 101-297, Neighborhood Reinvestment received an increase of $5,836,000 over OMB's FY 1990 funding recommendation. Senate report language (S Rpt. 101-128) directed the use of the increase in the following manner.

> "The Committee directs the Corporation to use $6,000,000 of funds provided for furthering their secondary mortgage market activities, a revolving acquisition fund, and expanding mutual housing associations (MHAs). The Committee is especially interested in further development of MHAs in downtown areas......"
>
> "The Committee understands that the Corporation is considering expanding its activities and establishing a field office in Hawaii. The Corporation has relied on mainland field service officers supplemented by temporary staff members hired in Hawaii. Staff turnover and reassignment have resulted in substantial amounts of time lost on orienting new mainland staff to Hawaiian institutions, as well as high travel costs. The Committee encourages the Corporation to fund the Hawaii project based on any increases received to the fiscal year 1990 budget level".

The activities proposed last year and activities receiving resources from the FY 1990 increase correspond in the areas of revolving acquisition fund; mutual housing association development and support; and by inference, the secondary market, as that is a source of capital for multifamily acquisition.

OBLIGATION OF FY 1990 FUNDS

Mr. **Traxler**. Do you know how much of the funds have been obligated and will all the funds be obligated at the end of this fiscal year that we provided to you in the last appropriation cycle?

Mr. **Whiteside**. We expect they will, except we have a certain, it appears, irreducible amount that we cannot obligate, and must be carried forward to the next year, since in the budgeting process, no department head is able to overspend. So they have to be cautious, resulting in some underspending in places which we really don't know about until after the fact. So a certain amount, a small amount will undoubtedly carry over to the next year.

But by and large, we will either spend or make commitments to spend the whole amount.

NHSA SECONDARY MARKET

Mr. **Traxler**. What are the sources of the hundred million in loans and grants that you expect to leverage?

Mr. **Whiteside**. They will be conventional loans, loans and grants from local governments, loans that for the first time will be originated by Neighborhood Housing Services of America.

There is no secondary market for low- and moderate-income multi-family lending, except Ginnie Mae, which is for hundred percent insured loans. So Neighborhood Housing Services of America, with the funds we granted them this year, is initially making a primary market.

And as NHSA accumulates these loans, they are looking for the first buyer and the beginning of what we hope will be a lively secondary market along the same lines as the secondary market the NeighborWorks network has for single family loans.

REVOLVING ACQUISITION FUND

Mr. **Traxler**. In looking at the Revolving Acquisition Fund in the budget supplement, you have received more than $2 million in preliminary requests from NeighborWorks organizations through about 2,600 units. And how many proposals would that represent?

Mr. **Whiteside**. We would have to respond for the record on that.

[The information follows:]

Revolving Acquisition Fund Requests

Approximately 51 requests have been received to date.

Mr. **Traxler**. And you tell us that not all projects will come to fruition. How many do you expect will?

Mr. **Whiteside**. That is an unknowable. A major source of projects, I am sure, is going to be through the Resolution Trust Corporation. And our experience thus far indicates that it's going to require a lot of patience and perseverance to produce results.

The Texas Mutual Reinvestment Corporation, a nonprofit, 501(c)3 corporation, which was formed by the Austin Mutual Housing Association and the Houston and San Antonio NHSs, recently made an offer to San Antonio Savings Association (SASA) for 300 units of property which was accepted.

A few days after that SASA went from conservatorship to receivership in the RTC process, and RTC cancelled the transaction and told us we could wait until it came up again on the affordable housing list and rebid.

So it's clearly going to be complex and time-consuming, and we cannot guess what the proportion of success will be.

But we are putting in a lot of staff effort and the network is taking advantage of the opportunity.

Mr. **Traxler**. Will you provide for the record the criteria used in selecting the organizations that will receive funding? funding?

Mr. **Whiteside**. Yes, we will.

[The information follows:]

Revolving Acquisition Fund Criteria

The specific criteria being used is as follows:

The proposal is for a "ready to go" project (address specific and economically viable).

Priority consideration is being given to proposals which conform to four or more of the following:

Utilizing foreclosed property (particularly property held by the RTC or HUD).

"Attractiveness" of proposal (acquisition cost, leverage of grant funds, rate of available financing, income level served, etc.)

Properties facing HUD "expiring use" provisions.

Re-use of vacant properties.

Capacity of local NeighborWorks organization to develop and operate the property.

Added weight is being given to proposals for properties suitable for Mutual Housing (location, size of project, unit size mix, economics, amenities, etc.), and for properties located in areas of heavy foreclosure in the oil producing states.

MUTUAL HOUSING ASSOCIATIONS

Mr. **Traxler**. According to the budget supplement, your estimate for Mutual Housing Associations in fiscal year 1991 is $3,120,000, 11 percent less than in fiscal year 1990. You also estimate for fiscal year 1991 that 2,000 units will be under the management of Mutual Housing Associations, this is 1,000 more units than in fiscal year 1990.

How do you expect to increase the number of Mutual Housing Association units so much when your budget request in fiscal year 1991 is less than your 1990 level?

Mr. **Whiteside**. I hope we are not over-optimistic in that, but a certain amount of it will come from activity that gets into the pipeline in 1990 and will reach completion in 1991.

IMPACT OF NEIGHBORWORKS ORGANIZATIONS

Mr. **Traxler**. You note on Page 14 of the request that the increase in appropriations for fiscal year 1990 will allow the NeighborWorks organizations to make a significantly greater impact.

What is that greater impact, and give us one or two illustrations of that?

Mr. **Whiteside**. Go back to the beginning of the question. There are a lot of ways——

Mr. **Traxler**. We note that you tell us in your justifications, that the increase in the appropriations for 1990 will allow NeighborWorks organizations to make a significantly greater impact; an impact on what, impact in what way, and maybe you can give us an illustration?

Mr. WHITESIDE. Just in brief, to be followed up by a response for the record, I would say what I have talked about already in terms of moving them more into the housing development mode, and what I have talked about in increasing our capacity building efforts of allowing them to better manage what they have and better fulfill their mission locally as part of it.

Finally, as a result of HUD's major efforts to strengthen their compliance activities, all local nonprofits who were sub-recipients of community development block funds are coming under a great deal more scrutiny. One of the things that we are doing is helping them prepare themselves to do a better job of compliance as those standards are increased.

[The information follows:]

IMPACT OF NEIGHBORWORKS ORGANIZATIONS

1989 Impact of NeighborWorks Organizations	1989	Cumulative through 1989
REINVESTMENT		
Revolving Loans		
$amt. (000's)	$22,739	$203,414
#of loans issued	1,860	22,080
Conventional Loans (000's)	$387,114	$2,661,576
Public Loans (000's)	$40,275	$568,400
Owner Reinvestment (000's)	$81,589	$897,451
Capital Improvements (000's)	$152,830	$1,058,401
Special Projects (000's)	$150,391	$1,192,968
Commercial Reinvest. (000's)	$8,414	$146,641
TOTAL	$843,352	$6,728,851
OTHER IMPACT MEASURES:		
HOUSING CONSERVATION/PRODUCTION		
Number of units rehabbed	7,233	94,361
Number of new units	98	915
Number of Mutual units	200	249
OTHER REVITALIZATION INDICATORS		
Tenants converted to owners	324	5,326
# of Code Inspections	18,207	200,620
Volunteers serving on boards	3,313	NA
CLIENT CHARACTERISTICS		
RLF client's median family income	$16,947	NA
% racial and ethnic population in neighborhoods	60	NA
NEIGHBORHOODS SERVED		
Active	265	NA
Self-Reliant	79	NA
Housing units	1,152,795	NA
Population	2,900,000	NA

Similar impacts are projected for 1990 with the addition of the following:

Furthering Secondary Market Activities -- As a result of the increased congressional appropriation of $1,700,000 over 1989, NHSA's goal is to purchase approximately $10 million in home rehabilitation and home purchase loans; and, for the first time, to place or purchase approximately $20 million in multifamily loans. This is expected to leverage up to approximately $100 million in loans and grants from other sources for multifamily housing owned or managed by NeighborWorks organizations.

It is important to stress the need for realistic expectations with significant housing development initiatives.

-- Neighborhood Reinvestment's objectives go beyond the immediate production of units to the need to assure the long term viability of the developments and affordability for low- and moderate-income use. Thus, Neighborhood Reinvestment and NHSA are investing significant staff time in the evaluation and structuring of the developments.

-- Housing development requires at least 18 to 24 months time from identification of the opportunity through the completion of construction.

-- Given the absence of any other secondary markets for lower income multifamily development, it is taking painstaking energy to identify placement opportunities for NHSA's loans.

-- NHSA's limited leverage capital does not come close to meeting the need, but what it is doing, in combination with the Revolving Acquisition Fund and newly accessed staff expertise, is creating the confidence for nonprofit organizations to even contemplate undertaking major development efforts to save affordable housing, as well as structuring developments that are financially viable for the long term and thus merit the consideration of other financing sources.

Revolving Acquisition Fund -- The additional funding permitted Neighborhood Reinvestment's Board of Directors to approve a $500,000 revolving acquisition fund for FY 1990. This fund will enable Neighborhood Reinvestment to respond to the need for a tool for creating the capacity for neighborhood based organizations to acquire, rehabilitate and operate low- and moderate-income housing. Approximately 51 requests had been received as of mid-April.

Mutual Housing Associations -- Additional FY 1990 resources will allow Neighborhood Reinvestment to provide developmental assistance and assistance in acquiring properties for up to eight new Associations. Technical services, property acquisition assistance and staff and board training will also be made available to the eight operational Mutual Housing Associations. To take advantage of the current surplus of foreclosed multifamily housing in Texas, the Texas Mutual Reinvestment Corporation has been organized by the Austin Mutual Housing Association and the Dallas, Houston and San Antonio NHSs to acquire and hold foreclosed properties in Texas for later transfer to Mutual Housing Association ownership.

Capacity Development -- Neighborhood Reinvestment will place an increased emphasis on assisting NeighborWorks organization to improve their financial management and internal systems in order to prepare them to address the increased demands on their management systems generated by increased real estate development activity. A program is currently being developed (for full implementation in FY 1991) to review and strengthen the financial management of all active programs.

NHSA SECONDARY MARKET

Mr. **Traxler.** The increased level of funding will allow you to expand your efforts in the secondary mortgage market, and you will be able to almost double current purchases of single-family and multi-family loans.

Tell us exactly how many single-family and multi-family loans you will be able to purchase in fiscal year 1990.

Mr. **Whiteside.** We are aiming at 10 million in single-family and 20 million in multifamily. I understand a closing is in process now, halfway through the fiscal year, between Neighborhood Housing Services of America and their note purchasers, on their first seven million.

So it's progressing.

Mr. **Traxler.** How many do you estimate you are going to be able to purchase in fiscal year 1991?

Mr. **Whiteside.** Our materials estimated a reduction below that—I will have to give you the figure for the record—I must say, compared to six months ago when we wrote that, that we may have been a little over-optimistic in the amount of impact that cut would have.

As we are looking at the leverage, we might fall a little short of that in 1991.

[The information follows:]

FY 1991 Secondary Mortgage Market Activity

Our FY 1991 budget request proposes to reduce our secondary market activities by $1.3 million, a cut of 36 percent. The impact of this reduction would be significant. A $1,280,000 cut in funds to the secondary market would reduce loan purchase and multifamily originations by at least $10.9 million in FY 1991. In order to lessen the negative impact, NHSA would try to reach out to foundation and corporation communities for low interest loans so that they could at least warehouse loans for a year. It should be noted, however, that NHSA would not be able to sell these loans to "social investors" due to the lack of leverage capital required for guarantees and interest rate subsidies; rather NHSA would have to hold the loans in-house until additional leverage capital was available.

The disappearance of this capital risks freezing current activity underway and dampening the NHSs' confidence in attempting future initiatives to protect lower income housing at risk of loss or create new units for disadvantaged Americans.

Mr. **Knight.** I will note that the primary reduction, on OMB's guidance, taken from grants and not from staff, was in NHSA, whose funds are used as the principal secondary market leverage funds. That is the technical reason for the decrease.

Mr. **Traxler.** Would you excuse us, please? We have got about a minute to vote.

[Recess]

Mr. **Traxler.** Are we ready?

Could we have your attention, please?

Thank you.

We note that fiscal year 1989 your budget was $12,000 for the conference portion of the administrative services.

In fiscal year 1990, your request had been for $70,000, in part to support the Leadership Conference.

But according to your projection, expenses for the Administrative services of the conference in 1990 $120,000, which is $50,000 more than you requested.

What did you spend the extra $50,000 on for the conference, and what—if we hadn't increased your level of funding—would have happened?

Mr. **WHITESIDE**. We will answer that for the record, Mr. Chairman.

[The information follows:]

NATIONAL LEADERSHIP CONFERENCE: EXPENSES

Attached is our accounting as of May 15, 1990 of all expenses related to the National Leadership Conference held in Washington D.C. in January 1990. Between our initial projections in the FY 1990 Justification prepared in December 1988 and the FY 1991 Justification prepared in December of 1989, the FY 1990 conference activities expanded to include an opening session marking the NeighborWorks network's twentieth year anniversary and the launching of the Social Compact. Twenty-one sponsors of the Social Compact pledged $5,000 each to support this observance. With these funds, Neighborhood Reinvestment contracted with a professional meeting planner to assist with the display, sound, lighting and entertainment. The $80,000 increase in professional services above the FY 1990 Justification was underwritten by contributions from lenders and insurance companies sponsoring the Social Compact.

Mr. **Traxler**. We need to know that.

And tell us, was it a good conference? What was the outcome?

Mr. **Whiteside**. It was a marvelous conference. I have never seen such an energized, unified group of 1200——

Mrs. **Boggs**. It couldn't have been better than the one in New Orleans.

Mr. **Whiteside**. Well, I had thought that, but they reached a new level of excellence this time. And I would like Reno James to take a bow as the man most responsible for it.

Mrs. **Boggs**. Great.

Mr. **Traxler**. According to Page 26 of the budget, you won't be having another national leadership conference in fiscal year 1991 .

Now, in view of the fact you cannot tell us what you spent the money on, I suspect that is pretty good news to us. We need to have some detail, incidentally, on your conference in terms of expenditures, and we expect you to work with staff.

Mr. **Whiteside**. We are pleased to do that.

Mr. **Traxler**. You are going to have a smaller residents conference.

Mr. **Whiteside**. Yes. We alternate. One year we have a major conference for what we call the leadership, which is the executive director and the leading business person, the leading resident, and the leading government person on their Board, to enable all of them to be together and deal with policy issues and to get a great deal of excellent training.

And then in alternate years, we have a residents conference where we bring one resident from each neighborhood into a training environment for two or three days.

Mr. **Traxler**. Now, of course, as you told us, you are not having the leadership conference this year, but you will do the residents.

Is that what the $69,000 for administrative services for conferences in fiscal year 1991 will be for then?

Or will it be for the leadership conference in 1991?

Mr. **Whiteside**. There will not be a leadership conference in 1991. That is what we had in 1990.

Mr. **Traxler**. So the $69,000 that you are asking for is for—

Mr. **Whiteside**. I will need someone to point that out.

Mr. **Traxler**. Sixty-nine thousand dollars in administrative services is for what purposes?

Mr. **Knight**. I think I am a little lost as to where the administrative services, the $69,000 is in my budget.

FY 1990 BUDGET

Mr. **Traxler**. We will find it. We will come back to that while he's locating it.

According to page 25 for personnel/management in fiscal year 1989 and your request for fiscal year 1990 were both $7,000. Now, in 1990, you are looking at projected expenses of $105,000. Additionally, your request for fiscal year 1991 is $35,000, up about 400 percent from the 1990 request .

Why such a huge increase for this item?

Mr. **Knight**. This is in professional services?

Mr. **Traxler**. This is for personnel and management.

Mr. **Knight**. Actually, in personnel and management for 1991, we are projecting a drop for 1990 from $105,000 to $35,000, and a large part of that drop is this year we are conducting a personnel study.

Mr. **Green**. What we are asking is why it is up so much this year from fiscal 1989?

Mr. **Whiteside**. Periodically, about every third year, we do a classification and compensation study to reassess our salary base.

Mr. **Green**. And that wasn't anticipated?

Mr. **Whiteside**. Well, it's more or less anticipated about every third year.

Mr. **Green**. I guess our concern is that it wasn't reflected in the request that we received in 1990.

Mr. **Whiteside**. I see.

Mr. **Knight**. I don't have that with me.

We will get that.

[The information follows:]

PERSONNEL AND MANAGEMENT COSTS

Our FY 1990 Justification, prepared in December of 1989, reflected the Administration's appropriation request of $21.26 million. At that level, we anticipated a reduction in our overall output. Subsequently, Congress increased our appropriation by nearly $6 million dollars in order to increase our efforts with Mutual Housing, the secondary market, foreclosed properties and ongoing assistance to the network.

Most of the increase was budgeted for direct grants and programmatic expenses; however, we set aside additional funds for a more comprehensive salary survey in light of higher than normal staff turnover we had been experiencing, and $69,000 to improve management and supervisory skills. The use of additional funds was approved by our Board on December 4, 1989. We informed this Committee of the changes in our FY 1990 budget on December 18, 1989, including a 36% increase in the professional services line, though not at this level of detail. Our FY 1991 budget request included an additional $27,000 to extend this management training. (In point of fact, a recommendation is under consideration by our Board of Directors to eliminate the management training from our FY 1990 budget).

In the event of an appropriation different than the amount requested in the budget justification, we apply the following procedure: We revise our budget to reflect the change in sources and uses of funds; this proposed revised budget is submitted to our Board for approval; upon approval, it is submitted to the Chairs of the House and Senate Appropriations Subcommittees on VA, HUD and Independent Agencies.

If the revised budget reflects a greater than proportional increase in the travel line or if any other reprogramming of funds is in excess of $250,000, we must obtain Committee approval before the Board adopted budget may be spent. Additionally, we understand that for any reprogramming from the compensation line to another budget line, legislative action would be required.

Mr. **Traxler**. What we are looking at is the bubble.

Mr. **Knight**. I understand. I am with you now.

Mr. **Traxler**. The question is, you didn't tell us about it at the hearings last year. We didn't know about it, and you are looking at $105,000. You asked for $7,000, and then you are going to drop back in 1991 to $35,000.

Now, the $35,000 is 400 percent—well, more than that—it's five times as much.

Mr. **Knight**. It is.

Mr. **Traxler**. Why? How come the bubble, and why the big increase?

Mr. Davis. Well, in 1990, the primary increase is due to two reasons. The study we are doing on the personnel side, which we do every other year, is more extensive than we anticipated.

Also, we have $69,000 in the budget for the management development of our own staff, which we did not anticipate.

It's related to the additional funds we got. We want to increase the skills of our own staff.

Mr. Traxler. Will you expand on the record, please, so we fully understand the 1990 situation?

Now, tell me why you are asking for $35,000 in 1991, which, while the request in 1990 was $7,000, why such a big increase?

We see the bubble, and you tried to explain that to me a moment ago, but why are you looking for $35,000?

Mr. Davis. As compared to 1989?

Mr. Traxler. As compared to 1990 your request was $7,000. In 1990 you asked for $7,000 for personnel management. And you spend it; okay? You intend to, or you have.

Your request for 1991 is $35,000, which is substantially more than last year's request of $7,000. Why are you going from 7,000 in your request to $35,000 in your request?

Mr. Davis. I got the question, and we will provide an answer for the record.

I need to go back to our 1990 justification prepared prior to our nearly $6 million increase and compare it to our supporting documentation for the FY 1991 justification.

Mr. Whiteside. Maybe we are getting more realistic now.

[The information follows:]

CHANGES IN PERSONNEL AND MANAGEMENT ADMINISTRATION EXPENSES*

FY 1990 JUSTIFICATION:
$7,000 projected for FY 1989
7,000 projected for FY 1990

FY 1991 JUSTIFICATION:
$105,000 projected for FY 1990
35,000 projected for FY 1991

FY 1989 ACTUAL:		
Employee Assistance Program (included expenses incurred in FY 1988, but not billed until April of 1989)		$8,808
FY 1990 PROJECTED:		
Employee Assistance Program	8,000	
Classification/compensation study	28,000	
Management Training**	69,000	$105,000
FY 1991 REQUEST:		
Employee Assistance Program	8,000	
Management Training**	27,000	$ 35,000

* This category is largely used to fund costs of our Employee Assistance Program which provides supervisors and employees an immediate first line of support in the event of family crisis, drug/alcohol abuse, or other stress related events affecting an employee's performance.

** On closer review of the contract this would have been more properly classified as a staff development expense. Currently, it has been recommended to the board of directors that this training be eliminated in FY 1990.**

NEIGHBORHOOD PRESERVATION PROJECT DEPARTMENT

Mr. **Traxler**. Well, we need some realisms here. Boy, you people have really got to sharpen us here. You are dragging us through a knot hole.

You got to know why you want money and you have to know what you are going to do with it when you get it, and you have to be able to tell us what you did do with it when you did get it.

That is our reason for existence.

Page 23 of the justifications, we note that the Neighborhood Preservation Project grants were cut 75 percent in fiscal year 1990. Yet the Corporation received a 36 percent increase above its request, and most other programs received a substantial increase.

The question is, why were the grants cut so significantly?

Mr. **Whiteside**. That was a strategic decision. We have done an outstanding job in studying activities going on at the neighborhood level, which improved the chances of turning neighborhoods around to the point that we have literally dozens of good strategies on our shelf.

We don't have the person-power to implement them, and we thought that we would just back off a bit in terms of seeking new strategies for a year or two and focus on making those known strategies available to some neighborhoods.

So it's not that it's not a valuable tool, and we do intend to use it in the future; but we have a glut of information received and needed to get ourselves ready to implement it.

Mr. **Traxler**. We note that in your fiscal year 1991 request at the training grants request is down $369,000 or some 43 percent.

Why do you think that happened? How did that get hit that hard? Was that your initiative or OMB's?

Mr. **Whiteside**. Let me get some input on that.

Mr. **Davis**. That relates to the National Leadership Conference. We subsidize the travel expense of the members of the network.

Mr. **Traxler**. Bill, excuse me.

DRUG COMBATTING STRATEGIES

Mr. **Green**. From 1981 through 1988, your comments here were extremely upbeat. Last year, they were quite depressing as you told us the impact that the drug problem was having on the neighborhoods in which you are involved.

I don't see any mention of the drug problem in any of the material or any of the statements.

I cannot believe it's been solved, and so I would like some comment from you on what impact it is having, and whether you have come up with strategies that can deal with it.

Mr. **Whiteside**. It continues to be a serious problem in many neighborhoods. From the point of view of neighborhood revitalization, it has the impact of dampening the reinvestment motive, as people are beginning to wonder whether they should leave the neighborhood or stay.

We figured out how you deal with it as we looked at a number of neighborhoods in our network and others. It's a matter of strong resident leadership and neighborhood organizing, getting literally hundreds of people to come out and say, "we are going to get rid of this problem."

Those hundreds of people have to impress their local government leaders that they are serious, and that they deserve some additional funding spent on policing in the neighborhood.

Then the local government, once they have squelched the worst of the drug market, must keep police in evidence, in store front offices or what have you, to keep it down.

In our culture today, this problem is not likely to go away. It's likely to be a matter of controlling it. But it can be done, and what we have settled on as a strategy is to make small grants to be matched locally in the area of community organizing and provide professional services. For example, to provide funds for programs to hire speakers from organizations which have successfully dealt with the problem to come in and motivate the community and tell them how to make a difference.

Mr. **Green**. If you have some models which show success, I think it would be helpful for the record if you could supply them.

Mr. **Whiteside**. We would be happy to.

[The information follows:]

MODELS FOR IMPACTING DRUGS & RELATED CRIME

Community-Wide Task Forces

Several NeighborWorks organizations have been working with community-wide task forces to combat drug-related crime in their communities. Their strategies have included a comprehensive mobilization of community resources including all branches of law enforcement as well as techniques involving careful surveillance, monitoring and prosecution of drug dealers. Three examples follow -- two from current NeighborWorks target areas and one from a member of our self reliant network.

In addition, the NHS in Reading, Pennsylvania will be receiving a Neighborhood Reinvestment grant to support its efforts to combat drug-related crime in its target neighborhood. We will be following its efforts as a possible future model of success.

Jamaica, New York

When the Jamaica AIP considered expanding into the Hollis neighborhood in Queens, residents and other community members identified drug activity as a major problem that could significantly hinder the AIP's ability to successfully undertake housing rehabilitation in the area.

The AIP took the lead in forming a community-wide task force, the Jamaica East Narcotics Task Force, which included representatives from the District Attorney's office for Queens, the Borough President's office, the Police Department's Narcotics Task Force, several specialized police units, the Department of Parks and Recreation, the Chamber of Commerce and major building owners. The Task Force which is chaired by the AIP meets once a month to strategize on how to deal with current drug activity.

Landlords and police now exchange information that leads to the eviction and/or arrests of drug dealers. The District Attorney's office is helpful in seeing that the cases are brought to court. The Police and the Department of Parks and Recreation have a closer communication on how to deal with drug activity at the neighborhood park. These is now a mechanism for getting dealers evicted from buildings without requiring current tenants to jeopardize their security by testifying.

The AIP now has a full-time staff person funded through a Neighborhood Reinvestment capacity building grant who works with the Task Force in identifying community leaders, agencies, and organizations that can provide resources to work on these issues, helps develop strategies, identifies residents with leadership capabilities, and educates the community about the Task Force.

San Antonio, Texas

In the heart of the NHS neighborhood in San Antonio, there is a well-know drug trafficking center called "The Hill" which is a 54-unit privately-owned apartment building.

The situation in this area got so bad that in the Fall of 1988 two young mothers were murdered within a 2-month period in drug-related crime.

The NHS is now working with a city-wide coalition, People Against Corruption, which grew out of a meeting of over 300 people. Mayor Henry Cisneros, the police department, and all the city department heads are committed to working with the coalition. The police department plans to operate a storefront office in the area and increase foot patrols.

In addition, the NHS continues to negotiate with the owner of "The Hill", who has begun rehab of vacant units in the complex. The occupancy rate has increaseed and drug dealers who had been openly selling drugs have relocated to other less visible sites in the neighborhood. The NHS is also working to set up crime watch programs, block clubs, as well as other related neighborhood groups to help residents combat drug and crime problems.

Chicago, Illinois

The Near Northwest Neighborhood Network (NNNN) in Chicago, Illinois, successfully campaigned to remove drug dealers from a nine-unit building in its neighborhood. In close cooperation with the police department and the state's attorney's office, the NNNN held marches and demonstrations in front of the property and documented evidence of the landlord's knowledge of drug activity. The landlord, embarrassed by the publicity and fearing prosecution, evicted the dealers and has put the building up for sale. The NNNN now reports a quiet corner with no visible drug activity.

Prevention

The NeighborWorks network is also examining ways to prevent drugs and crime from gaining a foothold in neighborhoods. These are long-term strategies whose impact will take more time to evaluate.

One example comes from Beloit, Wisconsin, where the NHS has taken the lead in developing a community center to offer neighborhood-based alternatives to delinquent behavior and gang activities for youth in the Merrill neighborhood. The concept grew out of a concern by neighborhood residents that there were not enough activities and opportunities available to neighborhood youth right in the community. Although there were numerous city-wide programs offered in Beloit, they were mainly located outside of the Merrill neighborhood. As a result, residents did not take advantage of them. Youth were hanging out on street corners and were vulnerable to drug activity.

The NHS rehabbed a vacant industrial site in the neighborhood into a community center where both existing and new programs are now offered to neighborhood youth. Examples include teen pregnancy programs, health immunization, tutoring, and recreation activities. Last year 650 youth received services through the Center. Over time, the community center plans to also offer programs for all age groups in the neighborhood.

15-May-90 90ACT\HOUSE HEARING QUESTION 4/26/90

NEIGHBORHOOD REINVESTMENT
FY 1990 LEADERSHIP CONFERENCE
Washington D.C. January 1990

		ACTUAL
SOURCES OF FUNDS:		
	Registration Fees & Donations	$180,000
	Congressional Appropriation	764,294
	TOTAL SOURCES OF FUNDS	$944,294
USES OF FUNDS:		
	Professional Services *	$150,839
	Group Meals	242,993
	Printing and Supplies	104,588
	Equipment Rental	40,209
	Telephone and Delivery	9,279
	Ground Transportation	5,395
	Temporary Clerical Help	2,441
	Miscellaneous Other Expenses	3,520
	Training Grants:	
	Hotel Accommodations	157,883
	Transportation	227,147
	TOTAL USES OF FUNDS	$944,294

* Includes costs for display, equipment rental and entertainment for the "Walk Through America" and the NeighborWorks network's twentieth anniversay observance, which was underwritten by $100,000 from Social Compact donations.

Mr. **Green**. Thank you.

Mr. **Whiteside**. In a way, this year's opportunities relating to that $6 million increase took front and center in my testimony. Problems remain. For instance, almost every NHS in Texas is experiencing serious problems because almost all the financial institutions are having problems. Their fundraising income is down to almost nothing.

We have a large number of staff trying to help them get through this and we made grants to help them over the hard spots.

But the focus I wanted to bring today was the opportunity taken, and showing how we can move forward within this new area.

Mr. **Green**. Thank you.

Mr. **Traxler**. Mrs. Boggs?

HOME OWNERSHIP STRATEGIES

Mrs. **Boggs**. Thank you, Mr. Chairman.

The Affordable Home Ownership program on Page 52 of your justification helps make home ownership possible, of course, for families with incomes of $18,000 to $19,000. And this includes buying and repairing homes.

And I understand that Secretary Kemp, who is on your Board of Directors, aside from his direct link to your policy making, how are you coordinating with HUD to help more people achieve home ownership?

Mr. **Whiteside**. Hopefully that we will be able to work with them as their HOPE program gets underway.

And we have had discussions with their Assistant Secretary for Policy Development and Research on a possible demonstration program we could do with them.

Frankly, though, our work is moving rather well in this area with the help of conventional lending and community development block grant subsidies. As you know, in a local community, we get a few million dollars pledged by the lenders at market rates and combine that with CDBG funds from the city government with which the NHS makes second mortgages. In many economies where home prices are $40,000 and below, this is sufficient to bring low- and moderate-income people into home ownership.

FY 1991 GOALS

Mrs. **Boggs**. I notice in your fiscal year 1991 program goals on Page 33, that you indicate nine cities are targeted for Neighborhood Housing Services programs.

Could you tell us which nine cities those are?

Mr. **Whiteside**. That is not finalized yet for the year. We are still getting applications, reviewing them and making assessments.

Mrs. **Boggs**. We will know when that is done.

Mr. **Whiteside**. Yes.

Mrs. **Boggs**. One of your fiscal year 1991 goals is providing four NeighborWorks organizations technical assistance to address the issues of crime and drugs.

We touched on that a while ago, but exactly what type of assistance do you provide?

Mr. Whiteside. It's in the form of grants to help them hire a community organizer, where it would be matched by local resources, and identifying other communities that have successfully dealt with the problem and then paying the travel costs of representatives of the successful community to come in and speak to them.

It turns out to be not a dramatic or spectacular solution, but it seems to work. It doesn't solve the drug problems. I understand that when dealers are jailed, another dealer comes out of jail and takes their place and it goes on. But at least it deals with the fear factor and the nuisance factor in the neighborhood and gets it down to a controllable level.

Mrs. Boggs. It oftentimes—I know a wonderful lady in New Orleans who organized against the crime problem and drug problem, and as she did, she decided that she needed to involve the kids in the neighborhood.

And they now have a spinoff program where she now has eight kids, ages six to 14, who have taken on the task of keeping clean the, as we call them, neutral grounds.

That is because the first one was built between the older French city and the new American city, and they have taken on eight blocks on Martin Luther King Boulevard that they keep clean.

And they also have gotten into a recycling project because of all those wine bottles they clean up they can bring in to sell, and it's just—she's involved with lending institutions who were in the first neighborhood program.

Mr. Whiteside. It seems that when you organize residents around a particularly painful issue, it gives them a feeling of empowerment and they will take on other projects like that.

Mrs. Boggs. The kids are paid $5 a week by check, and the local drug store teaches them how to cash their check, and they put a quarter, I think, each a week into a pot so that they can buy maybe a broom or a rake or something they need with it.

Wonderful, marvelous lady.

Mr. James. Do you know the woman's name?

Mrs. Boggs. I will get it for you, but she is just wonderful.

Thank you, Mr. Chairman.

Mr. Traxler. Thank you. Well, that concludes our hearing.

Good seeing you again. Thank you.

[Questions for the record and the justifications follow:]

Questions for the Record Provided by Congresswoman Boggs

IMPACT OF REDUCTION IN GRANT RESOURCES

Question. According to your testimony, grants often provide the critical ingredient in revitalizing distressed neighborhoods, yet your outlay request of $24.5 million would be $2 million less than FY 1990 outlays. The reduction would be achieved through a reduction in grants. What is the average size of a grant? How many neighbors would not receive grants as a result of this $2 million reduction in FY 1991?

Answer. Grant amounts vary depending on the type of grant and the need. Training grants may be only a few hundred dollars; the NHSA grant in FY 1990 totalled $3.53 million.

In the FY 1991 Justification, three grant categories were reduced from the FY 1990 level. The grant to NHSA to fund the secondary market would decrease by $1,280,000 (36%), reducing the amount the NHSA secondary market could purchase from NeighborWorks organizations or secure primary financing for multifamily loans by over $10.9 million.

Training and educational grants would decrease by 42% or $369,000. This decrease is possible due to the bi-annual schedule of the national leadership conference.

NeighborWorks development grants would decrease by 1% or $352,000. Such grants have ranged from $20,000 for a development feasibility study to $1,000,000 for capital grants to Mutual Housing Associations. Because of this reduction, three fewer new NeighborWorks organizations would be developed than in FY 1990.

Questions for the Record Provided by Congressman Chapman

DRUG-RELATED CRIME STRATEGIES AND RESOURCES

Question. Last year, I asked you to please estimate the amount of resources that are being diverted from current NRC programs to deal with the critical drug and crime problem. While you indicated that considerable staff time has been used to organize against drug and crime activity, you did not expect to quantify the resource needs in this area until the end of the fiscal year, 1989. Could you please provide this amount at this time?

Answer. Last fiscal year we were able to make three grants to NHSs to assist them in developing strategies for confronting the drug and related crime activity in their neighborhoods. These grants totalled $90,000.

As we stated last year, the amount of staff time that was dedicated to finding appropriate strategies to address the increase of drug related activity in our neighborhoods was considerable.

Question. Have you been successful at getting the attention of Mr. Bennett in regard to your efforts and needs in the area of fighting drugs?

Answer. Just recently, Mr. Bennett did speak with a person active in the San Antonio efforts to curb drug related activity in their communities. To our knowledge this is the only level of awareness Mr. Bennett has regarding our efforts in this area.

Question. This subcommittee was able to provide an increase in appropriations for NRC above last year's request. How much of those funds were directed toward fighting drugs in your neighborhoods?

Answer. We were explicity directed in Senate Appropriations Subcommittee report language to devote the increase in FY 1990 funding to the following areas: furthering of the secondary mortgage market activities; revolving acquisition fund; expanding mutual housing associations; establishing a field office in Hawaii.

Using resources from our core budget (exclusive of the increase) we are responding to requests for grant resources and providing technical assistance to programs in the area of drug related crime. To date, five programs have submitted requests for grants.

We are finding that a highly successful approach for NeighborWorks programs is community-wide task forces designed to combat drug-related crime in their communities. Their strategies have included a comprehensive mobilization of community resources including all branches of law enforcement as well as techniques involving careful surveillance, monitoring and prosecution of drug dealers.

ACQUISITION OF FORECLOSED PROPERTIES

Question. Last year we discussed your opportunity to utilize the inventory of foreclosed properties that now exist from a number of federal lenders. Could you provide us an update on your involvement in this area?

Answer. We have had a sufficient level of experience to confirm that the "opportunities" we envisioned, are real. At the same time, we have not yet been successful in accessing the large portfolio of properties held by the Resolution Trust Corporation (RTC). We are optimistic that as RTC finalizes its regulations and processes, that window of opportunity will still materialize, but it is questionable whether we will conclude any RTC acquistions in FY 1990.

Regarding specific accomplishments, the Austin Mutual Housing Association has acquired a 122 unit duplex-home community, assuming an existing Freddie Mac insured mortgage. The property has been appraised at $4.3 million, and the acquisition was made possible by a Neighborhood Reinvestment grant commitment of $150,000 (provided as $50,000/year for three years), and an NHSA below-market loan of $350,000.

The Austin Mutual Housing Association has recently acquired a second property, held in foreclosure by a private lender. That property contains 92 units, and the acquisition was made possible by a Neighhood Reinvestment grant of $300,000.

Neighborhood Reinvestment has assisted the Texas Mutual Reinvestment Corporation, which is actively negotiating to acquire a number of additional properties in San Antonio, Houston and Dallas to be used for mutual housing.

ACTIVITY IN RURAL AREAS

Question. What percentage of your neighborhood activities take place in urban areas versus the percentage of your neighborhood activities that take place in rural areas?

Answer. Of the 163 NeighborWorks organizations currently in operation, eleven are classified as rural programs. Those programs are in Barre, VT; Rutland, VT; Randolph, VT; Cattaraugus County, NY; Richland Center, WI; Dimmit County; TX; Avondale, AZ; Colorado Rural Development Corporation; Aberdeen, WA; Mabton, WA; and Nanakili, HI.

We are also assisting the Sinte Gleska Tribal College on the Rosebud Sioux Reservation in South Dakota, and number of other small cities and towns.

Approximately 6–8% of our neighborhood activities are currently targeted to rural areas, and a rural small town initiative in West Virginia is currently in development.

Question. Has the amount of attention given to rural areas increased over the past years?

Answer. We have been trying to increase our focus on rural areas for the past several years, and we have had a good degree of success in these efforts. At the current time, the scarcity of local financial resources necessary to support the ongoing operation of NeighborWorks organizations in rural areas is the major obstacle to any significant increase in rural activity.

Question. How are your efforts in rural areas working?

Answer. We have found somewhat different challenges working in rural areas, but the "community spirit" and determination of the residents has allowed the rural programs to achieve an impressive record of accomplishments.

Neighborhood Reinvestment's work in both rural and urban area continues to be difficult, but the NeighborWorks organizations continue to succeed despite the challenges.

Question. Is there any increase in undestanding of the problems rural neighborhoods face?

Answer. Our increased experience with rural areas has clearly strengthened our understanding and appreciation of the problems rural neighborhoods face. The level of understanding and sensitivity of our staff who interact most directly with the rural programs has increased significantly. The interaction of the representatives of the rural programs with representatives of large, urban centers (at training events and conferences) has helped our entire network obtain an understanding of the problems and a commitment to address them.

Question. Do you see the need to reach out to more rural areas and increase your services in these types of neighborhoods?

Answer. In keeping with the overall demand for our services, yes, there is a need to reach out to more rural areas. However, a difficulty inherent in working in rural areas is the limited availability of financial resources.

Questions for the Record Provided by Congressman Lewis

DEMAND FOR NEIGHBORHOOD REVITALIZATION

Question. Your proposed budget of $24.5 million for Fiscal Year 1991 would seem to represent somewhat of a retrenchment after the confidence this Committee showed in increasing your budget last year. Your justification pursues a strategy of absorbing the bulk of this $2 million in the grants category.

Can you tell us whether there is any indication that local demand for neighborhood revitalization is on the decline?

Answer. No, very definitely the demand for neighborhood revitalization is not on the decline. In fact, the Corporation continues to receive a substantial number of requests for new NHS developments and expansions without any direct, active marketing of our services. The demand for Mutual Housing Associations is illustrated by the over 200 requests we received as a result of a Federal Register announcement. The limiting factor in our ability to respond to these requests is the availability of resources.

Also, with the increased emphasis on lending institutions' CRA responsibilities, NHS is being identified as an effective vehicle by which to serve low- and moderate-income neighborhoods. We anticipate that this will increase the demand for our services.

UNDISBURSED GRANTS

Question. In fact, on page 18 of this year's justification you note that three neighborhood housing clients are no longer operational and will be returning undisbursed grants in the amount of $145,000 to the Neighborhood Reinvestment Corporation?

Is it the case that grant support as envisioned when these neighborhoods enrolled in your programs was unable to keep pace with continuing decline caused by the drug crisis?

Answer. No, these undisbursed grants are not the result of the impact of drug related activity on the neighborhoods, but rather due to a project not being undertaken, a development not feasible due to lack of local resources.

Question. How is it possible to achieve your stated goal of purchasing up to $7 million in loans originated by NeighborWorks organizations in the next year, when you expect to absorb a 36.3% cut in the category of grants that capitalizes the national loan purchase pool?

Answer. Over six months into this fiscal year, it is now apparent that our FY 1990 goals for loan purchases and multifamily loan originations were over optimistic, due to the slowness of the complementary resources being available. Therefore, the FY 1991 reduction will have a greater than anticipated impact.

RELATIONSHIP WITH RTC

Question. You have a new federal entity—the Resolution Trust Corporation—to deal with in terms of your efforts in helping neighborhood organizations acquire foreclosed properties.

Can you give us some preliminary indication of your dealings with them or is it too soon for such an assessment?

Are there RTC policies or regulations that need to be altered to make it easier for your low-income clients to take advantage of the properties in their inventory?

Answer. We have been asked to act as a national "clearinghouse" for the RTC which would involve dissemination of the list of available properties to the NeighborWorks network. We have also had a sufficient level of experience to confirm that the "opportunities" we envisioned, are real. At the same time, we have not yet been successful in accessing the large portfolio of properties held by the Resolution Trust Corporation (RTC). We are optimistic that as RTC finalizes its regulations and processes, that window of opportunity will still materialize, but it is questionable whether we will conclude any RTC acquisitions in FY 1990.

Regarding specific accomplishments on the foreclosure acquisition front, the Austin Mutual Housing Association has acquired a 122 unit duplex-home community, assuming an existing Freddie Mac insured mortgage. The property has been appraised at $4.3 million, and the acquisition was made possible by a Neighborhood Reinvestment grant commitment of $150,000 (provided as $50,000/year for three years), and an NHSA loan of $350,000.

The Austin Mutual Housing Association has recently acquired a second property, held in foreclosure by a private lender. That property contains 92 units, and the acquisition was made possible by a Neighborhood Reinvestment grant of $300,000.

Neighborhood Reinvestment has developed the Texas Mutual Reinvestment Corporation, which is actively negotiating to acquire a number of additional properties in San Antonio, Houston and Dallas to be used for mutual housing.

Depending upon actual experience when multifamily properties appear on the "affordable housing list" we may have recommendations for policy improvements. It seems clear already, however, that RTC could consider entertaining lower bids from non-profit organizations pledged to operate properties for long term low- and moderate-income occupancy. This would serve a public purpose and at the same time avoid any negative impact on the real estate market.

NEIGHBORHOOD REINVESTMENT CORPORATION

BUDGET JUSTIFICATION - FY 1991

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I. PREFACE

The following pages present a justification for an appropriation of $24,500,000 for fiscal year 1991. This is a decrease of 7.7% in appropriated funds from FY 1990. Total funds available for Neighborhood Reinvestment's FY 1991 operations, when compared to FY 1990, decreased by 7.3%. This decrease in funds will require a $2 million reduction in grants.

PART II - INTRODUCTION

THE MISSION OF NEIGHBORHOOD REINVESTMENT

The Neighborhood Reinvestment Corporation was created under Title VI of the Housing and Community Development Amendments of 1978, Pub. L. 95-557, as amended, to implement and expand the demonstration activities of the Urban Reinvestment Task Force. The principal purpose of the Corporation is "to revitalize older urban neighborhoods by mobilizing public, private and community resources at the neighborhood level".1

Further the law, as amended, states in Section 606(a) that:

(1) The corporation shall continue the work of the Urban Reinvestment Task Force in establishing neighborhood housing services programs in neighborhoods throughout the United States, monitoring their progress, and providing them with grants and technical services.

(2) The corporation shall continue the work of the Urban Reinvestment Task Force in identifying, monitoring, evaluating, and providing grants and technical assistance to selected neighborhood preservation projects which show promise as mechanisms for reversing neighborhood decline and improving the quality of neighborhood life.

(3) The corporation shall experimentally replicate neighborhood preservation projects which have demonstrated success and, after creating reliable developmental processes, bring the new programs to neighborhoods throughout the United States which in the judgment of the corporation can benefit therefrom, by providing assistance in organizing programs, providing grants in partial support of program costs, and providing technical assistance to ongoing programs.

(4) The corporation shall continue the work of the Urban Reinvestment Task Force in supporting Neighborhood Housing Services of America, a nonprofit corporation established to provide services to local neighborhood housing services programs, with support which may include technical assistance and grants to expand its national loan purchase pool and may contract with it for services which it can perform more efficiently or effectively than the corporation.

In accordance with its enabling legislation, the Corporation is under the direction of a board of directors comprised of the Secretary of Housing and Urban Development; a member of the Board of Governors of the Federal Reserve System; a Director of the Federal Deposit Insurance Corporation; the Comptroller of the Currency; the Director, Office of Thrift Supervision (as successor to the Chairman, Federal Home Loan Bank Board, pursuant to the Financial Institutions Reform, Recovery and Enforcement Act of 1989), and the Vice Chairman of the National Credit Union Administration.

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1 Neighborhood Reinvestment Corporation Act, 42 U.S.C. Section 8101 (a)(1)(1983) (Pub. L. 95-557, Section 602 (a)(1).

Presently serving on the Corporation's board of directors are:

Martha R. Seger, Chairman
Member, Board of Governors
Federal Reserve System

Robert L. Clarke,
Vice Chairman
Comptroller of the Currency

Jack Kemp,
Secretary
Department of Housing and Urban Development

C.C. Hope, Jr.,
Director
Federal Deposit Insurance Corporation

M. Danny Wall
Director
Office of Thrift Supervision

Elizabeth F. Burkhart,
Vice Chairman
National Credit Union Administration

PROBLEMS BEING ADDRESSED

The Neighborhood Reinvestment Corporation's mission is to create for the benefit of current residents stable, functional and decent conditions in older neighborhoods by reversing disinvestment and deterioration. Neighborhood decline can take place in small towns, rural and urban counties and cities of all sizes. The characteristics of a neighborhood suffering disinvestment and deterioration may include varying degrees of vacant buildings and lots, eroded commercial areas and disrepair of single-family and multifamily structures. Often accompanying these conditions are social problems including high unemployment, reduced homeownership, increased transiency, inadequate educational resources, welfare dependency, drug and alcohol abuse, and crime.

In recent years, overall neighborhood disinvestment has been exacerbated by the increasing numbers of foreclosed properties presently overwhelming the country. These properties are often held in the inventories of the Resolution Trust Corporation, the Federal Deposit Insurance Corporation, the Department of Veterans Affairs, the Department of Housing and Urban Development and individual financial institutions for extensive time periods subjecting the properties to damage from vandalism, fire, the elements and use as "crack houses". The impact of these properties on a neighborhood is devastating.

Central to the problem of disinvestment is a lack of confidence in the neighborhood on the part of the residents themselves, the private sector, and governmental bodies, thus making it difficult for any one sector to fully address the problem. Acting as individuals, low to moderate income residents lack the resources and expertise to halt neighborhood decline. Few governmental approaches have been able to marshall comprehensively the required public, private, and citizen resources. The private sector, particularly financial institutions, cannot affect the underlying conditions simply by changing lending policies or insurance underwriting standards. A comprehensive, coordinated strategy which can simultaneously rekindle the confidence of all significant actors is required to successfully address the problems of disinvestment and create positive conditions in older neighborhoods.

Neighborhoods with serious problems can be "turned around" through appropriate reinvestment strategies using a range of resources and techniques. Neighborhood Housing Services (NHS) programs operate in neighborhoods with defined boundaries characterized by: (a) a housing stock showing evidence of deterioration and lack of maintenance; (b) an inadequate degree of mortgage and home improvement activity; and (c) a substantial degree of resident support for the program. Neighborhoods are selected with an income mix as low as resources will permit (very low family incomes and high repair costs will require raising additional resources for revolving loan and capital project funds and staffing). Multiple neighborhoods are undertaken where resources can be raised to adequately serve each neighborhood.

RATIONALE FOR FEDERAL ROLE

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

In the Housing and Community Development Act of 1974, the Congress declared that: (1) there is "inadequate public and private investment and reinvestment in housing and other physical facilities and related public and social services, resulting in the growth and persistence of urban slums and blight and the marked deterioration of the quality of the urban environment"; and (2) that "the future welfare of the nation and the well-being of its citizens depend on the establishment and maintenance of viable urban communities as social, economic and political entities and requires systematic and sustained action by Federal, state and local governments to eliminate blight, to conserve and renew older urban areas, to improve the living environment of low and moderate income families, and to develop new centers of population growth and economic activity; and substantial expansion and greater continuity in the scope and level of Federal assistance, together with increased private investment in support of community development activities ..."

NEIGHBORHOOD REINVESTMENT CORPORATION ACT

In the Neighborhood Reinvestment Corporation Act, the Congress found that "the Neighborhood Housing Services demonstration of the Urban Reinvestment Task Force has proven its worth as a successful program to revitalize older urban neighborhoods by mobilizing public, private and community resources at the neighborhood level; and the demand for Neighborhood Housing Services programs in cities throughout the United States warrants the creation of a public corporation to institutionalize and expand the Neighborhood Housing Services programs and other programs of the present Urban Reinvestment Task Force."

The act further states that "the purpose of this title is to establish a public corporation which will continue the joint efforts of the Federal financial supervisory agencies and the Department of Housing and Urban Development to promote reinvestment in older neighborhoods by local financial institutions working cooperatively with community people and local government and which will continue the nonbureaucratic approach of the Urban Reinvestment Task Force, relying largely on local initiative for the specific design of local programs."

NATIONAL NHS - NEIGHBORWORKS WEEKS

NHSs were recognized in Public Law 98-350, a Joint Resolution designating the week of October 7, 1984 as the first "National Neighborhood Housing Services Week." The President praised the NHS partnership for exemplifying "the spirit of cooperation and voluntarism that is the hallmark of American life" in an Oval Office ceremony. Across the country, governors, mayors and city councils followed suit with local celebrations. Another Presidential Proclamation designated the week of June 1, 1986 as the second "National Neighborhood Housing Services Week" and the NeighborWorks Network was again recognized in a Presidential Proclamation designating June 5-11, 1988 as "National NHS - NeighborWorks Week."

NEIGHBORHOOD REINVESTMENT FULFILLS A NATIONAL NEED

The success of NHS/NeighborWorks programs over the years has been enhanced by the technical services, project development services and secondary market resources that Neighborhood Reinvestment provides nationally to the NeighborWorks network. These services and resources provide the national undergirding which has made possible the extraordinary scope of neighborhood revitalization activity (NHS neighborhoods encompass 1.2% of the nation's housing stock) that by the end of FY 1990 will have sparked approximately $7 billion in reinvestment. At a very small cost to the federal government, NHSs are revitalizing communities and improving and preserving affordable housing for the benefit of over 3 million NHS neighborhood residents. NHSs on the average operate in neighborhoods where the median household income is 72% of the median household income of the U.S.; moreover, the direct NHS loan client is at the lower end of the economic spectrum in each neighborhood. A stratified study on 16 NHS loan fund portfolios (1,947 loans totalling $19,256,000) found that 78.2% of the loans were made to very low income and low income households (below 80% of the median).

THE MISSION AND METHODS OF ACHIEVEMENT OF NEIGHBORHOOD REINVESTMENT

The Neighborhood Reinvestment Corporation was created in 1978 under Title VI of the Housing and Community Development Amendments of 1978, Pub. L. 95-557, as amended, to implement and expand the demonstration activities of the Urban Reinvestment Task Force. The purpose of the Corporation is "to revitalize older urban neighborhoods by mobilizing public, private and community resources at the neighborhood level".

To achieve this purpose, Neighborhood Reinvestment Corporation will:

1. Assist local communities to revitalize neighborhoods for the benefit of current residents through developing local Neighborhood Housing Services programs which manage comprehensive, coordinated reinvestment strategies. Neighborhood Housing Services and other Neighborhood Reinvestment sponsored neighborhood revitalization programs are developed through sophisticated educational processes. These processes create working partnerships of residents, local government officials, and business community representatives to achieve neighborhood revitalization goals.

2. Seek out additional promising strategies and techniques for reversing factors which negatively impact the quality of life in neighborhoods and which:

    (a) preserve the existing stock of housing affordable to lower income households and, in appropriate economic environments, produce additional housing affordable to lower income households;

    (b) exert a long-term stabilizing influence on the neighborhood economic environment; and

    (c) lead to a perceived improving quality of life which will strengthen weak demand factors in the neighborhood real estate market, and improve the neighborhood's image.

3. Select the most promising strategies and techniques, and

    (a) monitor them and evaluate their effectiveness and replicability;

    (b) replicate them on a pilot basis in varying environments, working out systematic developmental (educational) processes; and

    (c) replicate them in additional communities where they are needed.

4. Provide training and technical services to local programs to ensure their continuing effectiveness, including:

   (a) information and training for local partnership members;

   (b) training and education for local program staff;

   (c) technical materials and systems for local programs.

5. Support Neighborhood Housing Services of America to provide services to local NeighborWorks programs, including:

   (a) a secondary market fund for loans originated by local programs;

   (b) expertise and training in effectively raising funds locally from the private sector;

   (c) exploration of additional techniques to expand credit availability in NeighborWorks neighborhoods;

   (d) increased promotion of multifamily rehabilitation by originating and selling loans made by NeighborWorks organizations through private placements.

6. Disseminate information.

NEIGHBORHOOD HOUSING SERVICES, THE MAIN VEHICLE

The main vehicle employed by Neighborhood Reinvestment for addressing the problem of disinvestment in older neighborhoods is the Neighborhood Housing Services program. These local, nonprofit corporations are directing revitalization and reinvestment activities in over 140 localities, in neighborhoods where over 3 million people reside. NHS programs are created by Neighborhood Reinvestment through a sophisticated developmental process which builds a working partnership of local business leaders, government officials, and community residents. The majority of human and financial resources utilized are derived locally, with Neighborhood Reinvestment staff providing expertise in group educational processes, organizational development, and training in reinvestment strategy and implementation techniques. In eighteen years of work in this area, the Neighborhood Reinvestment Corporation and its predecessors (the Urban Reinvestment Task Force and an office of the Federal Home Loan Bank System) have developed NHS programs in over 300 neighborhoods, containing over one million dwelling units nationwide. By 1990 fiscal year end, it is estimated that 91 neighborhoods will be substantially self reliant. These self reliant neighborhoods house approximately 500,000 Americans.

NEIGHBORHOOD REINVESTMENT PROVIDES ESSENTIAL TRAINING AND TECHNICAL SERVICES

Neighborhood Reinvestment's function of providing neighborhood program training and furthering project development activities assists these programs to remain viable and effective. Neighborhood Reinvestment also provides educational programs, training workshops and conferences to enhance the skills of local NHS staff and partnership members. Such training includes sessions on neighborhood strategy, administrative skills, and specific technical areas related to lending and housing rehabilitation. Access to direct staff assistance ensures that a local NHS program can draw upon experienced personnel to overcome difficult problems.

A SECONDARY MARKET FOR NHS LOANS

Through the purchase of primary loans, a secondary market operated by Neighborhood Housing Services of America (NHSA) provides liquidity to local NHS revolving loan funds. These loan funds, maintained by local NHSs, provide flexible financing to primarily low-income clients who, for a variety of reasons, are unable to obtain housing loans from conventional market sources. The secondary market taps institutional investor resources to leverage capital provided in part by the Neighborhood Reinvestment Corporation. Private sector resources are increasingly augmenting the resources of this secondary market.

STRATEGIC TOOLS TO REVITALIZE NEIGHBORHOODS

Neighborhood Reinvestment provides resources to enable NHSs to expand their scope of services. These supplemental tools enable NHSs to tackle the more complex issues standing in the way of realizing neighborhood goals and achieving neighborhood self-reliance. With these supplements, an NHS can address lower income households and elements in more distressed neighborhoods such as a higher proportion of renters and apartment buildings, more blighted buildings, scattered vacant lots, decaying commercial strips, lack of availability of affordable housing, and other negative conditions. In neighborhoods located in "hot" real estate markets, new strategic tools are being used to preserve housing affordability for lower income families. These tools include rehabilitation and sale which entails the purchase of blighted houses by an NHS which rehabs and sells the property to an owner-occupant (who in most cases was previously a renter); Mutual Housing Associations which provide affordable, quality units to its members who have an active voice in management and assured long-term occupancy, and neighborhood rental services which places the NHS in the position of directly managing rental units thus assuring affordability and quality.

NEIGHBORHOOD REINVESTMENT IS EFFECTIVE

A broad analysis of the effectiveness of the Neighborhood Reinvestment Corporation leads to the conclusion that this is one of the most effective means of achieving neighborhood revitalization goals in declining neighborhoods. In fact, for every dollar of Neighborhood Reinvestment's appropriation, thirty five dollars is reinvested in NHS neighborhoods. In addition, the building of the partnership - resident, government, business -- on the local level provides an effective vehicle for successful implementation of the proven strategies which Neighborhood Reinvestment shares with the local NeighborWorks organizations.

The cost-effectiveness of the corporation's work is illustrated by the reinvestment generated through the NeighborWorks network. The expenditure of only $207 million in appropriated funds over the years 1974 to 1990 will have generated approximately $7 billion in reinvestment by developing and fostering effective local, private, nonprofit organizations, stimulating the revitalization of over 300 neighborhoods containing over one million dwelling units and housing over 3 million Americans.

The chart on the following page further demonstrates the actual success of the Neighborworks network as measured in loans, self reliant neighborhoods and housing units rehabilitated or produced compared to the number of Neighborhood Reinvestment staff for the years FY 1978 to FY 1990.

PART III. - FY 1991 FUNDING REQUEST

A. PROJECTED FY 1990 ACCOMPLISHMENTS

The appropriation for Neighborhood Reinvestment increased by 36% in FY 1990 over the FY 1989 level while the total sources of revenue increased by 29%. This increase will allow the NeighborWorks network to make a significantly greater impact on many of America's distressed neighborhoods. To facilitate this, Neighborhood Reinvestment has developed and expanded its goals in several areas.

To provide permanent and affordable units to low-and moderate-income households, five additional Mutual Housing Associations will be initiated in FY 1990. From an increase in Neighborhood Reinvestment's grant, NHSA will expand the secondary market's ability to purchase single family and multifamily loans and approximately double its current purchases from NHSs. NeighborWorks organizations desiring to acquire properties such as those held in inventories of the Resolution Trust Corporation, the Department of Housing and Urban Development and Veterans Affairs will be assisted with reimbursable acquisition grants. The establishment of a permanent presence in the state of Hawaii will enhance our ability to serve native populations. Existing NeighborWorks organizations will be strengthened through our focused assistance in the areas of financial management and leadership development. Specific overall goals are further detailed in the following paragraphs.

FY 1990 PROGRAM OUTPUT
By the end of FY 1990, the Corporation will have attained the goals listed below. For comparison, Table 7 lists these FY 1990 goals as well as FY 1989 and FY 1991 activities and output measures.

FY 1990 GOALS

- **Assist Programs To Extend Services:**
  - Assist 21 organizations to geographically extend their services to new target areas. Each expansion effort will require assistance in the form of at least 90 professional person-days and/or a NeighborWorks development grant.
  - Assist 32 NeighborWorks organizations to extend their revitalization strategies to include multifamily and rental services. These strategies involve financing techniques for the rehabilitation of structures with five or more units housing low to moderate income families. Each organization requires assistance in the form of at least 30 professional person-days and/or a grant.
  - Assist six NeighborWorks organizations with Housing Development strategies to provide affordable housing through new construction or substantial rehabilitation. Each organization requires assistance in the form of at least 30 professional person-days and/or a grant.

- Assist eight NeighborWorks organizations with Commercial and Economic Development Strategies to strengthen small businesses, improve the physical environment, provide organizational support, business counseling and loan packaging. Each organization requires assistance in the form of at least 30 professional person-days and/or a grant.

- Assist 32 NeighborWorks organizations with Homeownership strategies to increase the number of owner occupied units through tenant conversion and neighborhood marketing programs. Each organization requires assistance in the form of at least 30 professional person-days and/or a grant.

- Assist 11 Mutual Housing Associations to develop, own and manage housing in the public interest by offering residents the privilege of life-occupancy of a quality home at an affordable cost. Each organization requires assistance in the form of at least 30 professional person-days and/or a grant.

o **Reorganize Existing NeighborWorks Organizations:**

- Assist programs to reorganize to overcome organizational difficulties, such as loss of board and staff leadership. We anticipate that four programs may require a NeighborWorks development grant and will require extensive Neighborhood Reinvestment staff time.

o **Initiate New NeighborWorks Organizations:**

- Initiate development of NeighborWorks (NHS and Mutual Housing Associations) organizations in twelve cities not currently served. Some may require a NeighborWorks development grant; all will require extensive Neighborhood Reinvestment staff time.

o **Provide Technical Services To NeighborWorks Organizations:**

- Train 25 NeighborWorks organizations undertaking fund raising campaigns.

- Assist 17 NeighborWorks organizations in the recruitment and hiring of qualified staff members.

- Assist 25 programs to implement or upgrade manual or computerized internal systems such as those for accounting, lending or construction management.

- Assist members of 37 NeighborWorks Boards to upgrade and enhance their leadership skills.

- Assist one organization requiring interim staffing during a period of transition or expansion.

- Assist four organizations to address the issues of crime and drugs.

  - Assist in the acquisition of foreclosed properties in 15 sites.

- **Provide Training:**

  - Conduct a National Leadership Conference for 1,200 participants.

  - Provide 8,000 training contact hours for NeighborWorks' Board and staff members at one Institute and another training event specifically geared to the needs of Executive Directors. (Contact hours is the sum of the hours individuals spend in training).

  - Provide 4,000 training contact hours in district and local training workshops to enhance the skills of NeighborWork organizations' Board and staff members.

- **Conduct Research & Evaluation Activities:**

  - Provide grants and/or at least 30 professional person-days for the identification, evaluation and documentation of selected strategies for a total of seven Neighborhood Preservation Projects strategies in ten sites. New Neighborhood Preservation Projects will be concentrated in the areas of financial development, social intervention and anti-displacement strategies.

  - Continue to replicate the Youth Intervention strategy in three sites and the Mortgage Foreclosure Prevention strategy in four sites.

  - Conduct program reviews of 142 NeighborWorks organizations.

- **Maintain And Expand Communications:**

  - Issue 21 publications including the Corporation's annual report, newletters, manuals, monographs, information brochures, and comparable publications. Produce 50 other products such as program booklets, training schedules, publicity and promotional products and video and slide presentations.

  - Coordinate a national multi-media public service advertising campaign with the Advertising Council, Inc.

- **Broker Financial Services:**

  - Support Neighborhood Housing Services of America efforts to purchase $10 million in loans originated by NeighborWorks organizations.

  - Assist in the placement with financing sources of $20 million of multifamily loans originated by NeighborWorks organizations.

B. BUDGET REQUEST FOR FY 1991

The budget request for fiscal year 1991 is a justification of the amount recommended by the Office of Management and Budget as contained in the Budget of the United States, Fiscal Year 1991. For Fiscal 1991 a program level of $24,500,000 is requested. As proposed by OMB, this level is achieved by $17,895,000 of new budget authority in addition to the estimated $6,605,000 unobligated balance from the National Credit Union Administration (NCUA). The total request for a Congressional appropriation of $24,500,000 represents a 7.7% decrease in federal funding when compared to fiscal 1990. When all sources of funding are considered we anticipate an 7.3% decrease from the FY 1990 level. The following section contains summary tables and line item descriptions pertaining to Neighborhood Reinvestment's proposed fiscal year 1991 budget.

C. BUDGET SCHEDULES: FY 1989 - 1991

The budget schedules that follow present the sources and uses of funds for fiscal years 1989, 1990, and 1991, providing comparisons of expenditures by budget line item. Also included in this section is a comparison of Neighborhood Reinvestment's programmatic goals for the three year period beginning in fiscal year 1989.

In Tables 1, 2, 3 and 4, which follow, combined projections of all sources and application of funds are shown for the years FY 1989, FY 1990 and FY 1991. The Corporation receives its primary funding through a Congressional appropriation.

LOCAL GOVERNMENT AND OTHERS

The Corporation receives funds from local governments and other entities to defray the costs of developing NHS/NeighborWorks programs. Such costs include compensation for development coordinators, office space and developmental workshops. Though Neighborhood Reinvestment serves as the fiscal agent for the disbursement of these funds, the use of the funds is generally restricted to paying the direct developmental cost of particular projects and is not used to defray substantial general expenses of the Corporation. Though once funded to a large degree by local governments, the recent decline in state and local community development resources has prompted cities to contribute increased funding to an NHS's tangible revolving loan fund or specific project funds, and Neighborhood Reinvestment is providing a larger portion of project development funds. Therefore, in FY 1991, we are returning to an earlier budgeting procedure whereby these expenses are included in regular administrative lines such as compensation and occupancy rather than reported under a separate budget line titled project development expenses. For comparison purposes, the financial data and the number of full-time equivalent employees presented for fiscal years 1989 and 1990 have been amended to reflect this change.

INTEREST EARNINGS AND OTHER REVENUE

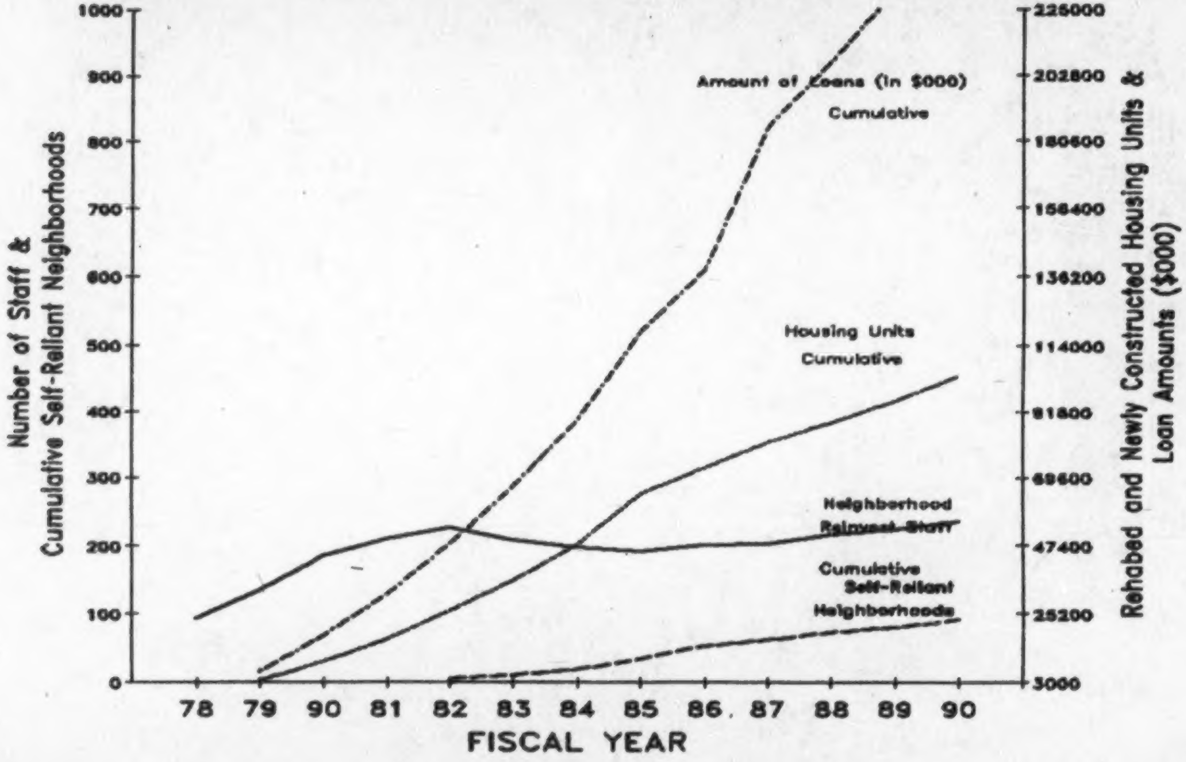
An additional source of projected funding is interest income and other sources of revenue. Interest earnings and other sources of revenue fund grants and developmental activities, thus enhancing the Corporation's ability to achieve its programmatic objectives. Such earnings are taken into consideration in arriving at the Corporation's budget submission to the Office of Management and Budget and, in turn, are taken into consideration by the Office of Management and Budget in arriving at its budget recommendations. Interest earnings on cash investments make up the greatest portion of this revenue source. Also in this category are returned grant funds previously disbursed to grantees who now, for a variety of reasons, are unable to successfully continue. For example, we anticipate paybacks from NHS loan clients of three NHSs no longer operational. These loans were originally funded from Neighborhood Reinvestment grant funds. In FY 1990 and FY 1991, this category includes deobligated but undisbursed grants committed in prior years. Grants are deobligated when a grantee is unable to fulfill the terms of a grant. Because deobligations and the return of disbursed funds depend upon unexpected specific local conditions unknowable when the budget is prepared, we do not estimate this source for future years.

The following table details the specific sources (dollars in thousands):

	Actual FY89	**Projected FY90**	**Projected FY91**
Interest	**$1,266**	**$1,175**	**$1,235**
Return of Prior Year Grants	**138**	**25**	**25**
Deobligation of Prior Year Grants	**144**	**145**	**0**
Other Sources	**25**	**0**	**0**
	$1,573	**$1,345**	**$1,260**

CHART A

GROWTH OF THE AMOUNT OF LOANS, HOUSING UNITS, SELF-RELIANT NEIGHBORHOODS, AND NEIGHBORHOOD REINVEST. STAFF: FY78 TO FY90



Line Item Comparisons - Fiscal Years 1990 - 1991 Funding Request

Table 5 provides a comparison of actual 1989, projected 1990 and proposed 1991 major line item expenses for Congressionally appropriated funds. The justification for the request shown on Table 5 is provided in the following paragraphs. Table 6 provides a comparison of actual 1989, projected 1990 and proposed 1991 major line item expenses for all sources of funds.

Expense Category	Projected Expenses 1990	Budget Request 1991	Increase (Decrease)	% Change
Compensation ($000s)	$11,380	$11,380	$ -0-	0.0%

This line includes salary, payroll taxes and benefits to fund 230 full time equivalent positions. This is a reduction of seven full time equivalent positions from the FY 1990 level necessary to offset rising benefit costs and a 4% merit increase.

Payroll taxes, including FICA (social security), state unemployment and workers' compensation, are budgeted at 9.2% of salary. This is equivalent to our revised projection for FY 1990 since no increases in tax rates have been announced.

The major employee benefit costs are pension, health and dental insurance, life and long-term disability insurance and a cafeteria plan for covering dependent child care and unreimbursed medical expenses. This budget category also funds staff tuition reimbursements and relocation expenses. Primarily due to anticipated further industry increases in the cost of health and dental care, employee benefits are collectively budgeted at 33.5% of salary, an increase of 8% from the projected FY 1990 level.

The Corporation awards only merit increases to staff who have served at least one year, based upon performance reviews. A 4% merit increase is budgeted for FY 1991, down from 5% awarded in FY 1990. No cost of living adjustments are provided.

Expense Category	Projected Expenses 1990	Budget Request 1991	Increase (Decrease)	% Change
Travel ($000s)	$1,910	$1,980	$ 70	3.7%

This line item provides funds for the business travel and related expenses of staff (and of non-staff members, who participate as resources in Neighborhood Reinvestment planning meetings and educational workshops). All air travel and hotel rates are calculated at the GSA government discounted rates, and meals are calculated at a maximum of $30.00 per day. The increase in FY 1991 is necessary to cover rising costs.

Expense Category	Projected Expenses 1990	Budget Request 1991	Increase (Decrease)	% Change
Professional Services ($000s)	$1,645	$1,524	($121)	(7.4%)

This line budgets for professional service contract fees and expenses and may be slightly reduced in FY 1991 due to the scheduling of a smaller scale resident conference rather than a National Leadership Conference as held in FY 1990. Also, in FY 1990 $60,000 was available for management development, which will not be repeated in FY 1991. The requested level will permit us to maintain our contribution to the Advertising Council NHS Campaign, and will allow us to cover unavoidable, administrative expenses, such as legal fees, audit fees, and payroll services. A schedule of professional service expenses planned for fiscal 1990 and 1991 follows.

NEIGHBORHOOD REINVESTMENT CORPORATION
Professional Services ($000s)

	Projected Expenses 1990	Budget Request 1991	Increase (Decrease)	% Change
ADMINISTRATIVE SERVICES:				
Audit/Payroll	$ 60	$ 60	$ 0	0%
Personnel/Management	105	35	(70)	(66.7%)
Legal Fees	50	50	0	0%
Communication	80	80	0	0%
Conferences	120	69	(51)	(42.5%)
Staff Development	25	25	0	0%
Computer Services	35	35	0	0%
PROGRAMMATIC SERVICES:				
Advertising Campaign	250	250	0	0%
Training	160	160	0	0%
General Support	250	250	0	0%
Reorganizations	70	70	0	0%
Financial Management	100	100	0	0%
Program Reviews	175	175	0	0%
Drug Related Crime	60	60	0	0%
Foreclosure Acquisition	20	20	0	0%
Executive Recruitment	30	30	0	0%
Commercial Revitalization	55	55	0	0%
TOTAL	$1,645	$1,524	$(121)	(7.4%)

Expense Category	Projected Expenses 1990	Budget Request 1991	Increase (Decrease)	% Change
Conferences & Workshops ($000s)	$480	$405	($75)	(15.6%)

This line item provides funds for educational conferences, training workshops, program reviews and staff meetings held by Neighborhood Reinvestment. Such expenses include group meals, ground transportation, meeting rooms and registration fees. This line may be reduced in FY 1991 due to the scheduling of a smaller residents conference rather than a National Leadership Conference in FY 1991.

Expense Category	Projected Expenses 1990	Budget Request 1991	Increase (Decrease)	% Change
Occupancy ($000s)	$1,355	$1,405	$50	3.7%

This line, which includes rent and utilities for all offices is increased to cover the anticipated rise in the cost of utilities and leased office space.

The field offices which, in addition to the Washington headquarters, will be funded by this line are the following: Boston, Massachusetts; Atlanta, Georgia; Kansas City, Missouri; Oakland, California; East Orange, New Jersey; Baltimore, Maryland; Honolulu, Hawaii; Los Angeles, California; Cincinnati, Ohio; Dallas, Texas; San Antonio, Texas; Denver, Colorado; Chicago, Illinois and New Rochelle, New York. These regional and field offices are used by field staff who are directly managing NHS/NeighborWorks developments and providing training and technical services across the nation. They have been established within districts in consideration of program concentrations to minimize travel expense.

Expense Category	Projected Expenses 1990	Budget Request 1991	Increase (Decrease)	% Change
Telephone, Postage, and Delivery ($000s)	$730	$730	$ -0-	0.0%

This line provides funds for communication expenses of the Corporation including telephone installation and service in the Washington and field offices, and local and long distance toll charges for offices and individual staff members on business travel. Also included are postage and delivery needs for Washington and field offices.

Expense Category	Projected Expenses 1990	Budget Request 1991	Increase (Decrease)	% Change
Printing & Supplies ($000s)	$525	$525	$ -0-	0.0%

This line item provides funds for the development and printing of the annual report, quarterly newsletters, and several programmatic brochures. In addition, the printing of training manuals, forms, and stationery are funded by this line item. Also included are photographic supplies, visual materials and general office supply needs.

Expense Category	Projected Expenses 1990	Budget Request 1991	Increase (Decrease)	% Change
Other General and Administrative ($000s)	$1,030	$1,030	$ -0-	0.0%

This category of expense includes insurance, temporary clerical services, equipment rental and maintenance, subscriptions, publications, professional dues, classified ads, purchases of equipment and furniture, and miscellaneous expenses.

The following is a detailed comparison of FY 1990 and FY 1991 expenses in this category ($000s):

Description	Projected Expenses 1990	Budget Request 1991	Increase (Decrease)	% Change
Insurance	$ 50	50	$ 0	0%
Agency Fee & Temporary Help	135	135	0	0%
Temporary Clerical Services	50	50	0	0%
Equipment Rental	230	230	0	0%
Equipment Maintenance	110	110	0	0%
Publications, Dues & Subscriptions	80	80	0	0%
Classified Ads	35	35	0	0%
Miscellaneous	55	55	0	0%
Expendable Property	135	135	0	0%
Capital Equipment	150	150	0	0%
TOTAL	$1,030	$1,030	$ 0	0%

Expense Category	Projected Expenses 1990	Budget Request 1991	Increase (Decrease)	% Change
Grants and Grant Commitments ($000s)	$7,499	$5,521	($1,978)	(26.4%)

This line item provides for the following types of grants: NeighborWorks Development grants to seed new developments and expand existing NHS and Multifamily Housing Strategies programs and to partially fund the capitol requirements for physical development and a portion of initial administrative costs of existing Mutual Housing Associations; NHS administrative grants to assist NeighborWorks programs during periods of critical cashflow difficulties; Programmatic Supplement grants to assist NHS programs taking on replications of programmatic supplements; Reimbursable Acquisition Grants to fund the purchase of properties held in inventories by HUD, VA, RTC, etc.; Neighborhood Preservation Project grants to administratively support innovative, locally-operated neighborhood preservation projects that offer solutions to common NHS neighborhood concerns; Training and Education grants to local NHS programs to permit program partnership and staff members to participate in specific training programs and educational workshops; Neighborhood Housing Services of America grants to further capitalize the national loan purchase pool, fund related operating costs, and provide for other contractual services, such as the development of private funding resources for NHSs. A comparison of grant amounts to be funded in FY 1990 and FY 1991 follows ($000s).

Description	Projected Expenses 1990	Budget Request 1991	Increase (Decrease)	% Change
NeighborWorks Development NHS/AIP/MHA Grants	$2,423	$2,071	$(352)	(14.5%)
Reimbursable Acquisition Grants	500	500	0	0%
NHS Administrative Grants	250	250	0	0%
Programmatic Supplement Grants	1,699	1,700	1	0.1%
NPP Grants	60	60	0	0%
Training and Educational Grants	869	500	(369)	(42.5%)
NHSA Grants	3,530	2,250	(1,280)	(36.3%)
TOTAL - All Sources	$9,331	$7,331	$(2,000)	(21.4%)
Amount Funded From Sources Other than Appropriation	1,832	1,810	(22)	(1.2%)
Appropriated Funds	$7,499	$5,521	$(1,978)	(26.4%)

TABLE 1

NEIGHBORHOOD REINVESTMENT CORPORATION
SOURCES AND USES OF FUNDS - ALL SOURCES
FISCAL YEAR 1989 AUDITED ACTUAL
($000s)

	CONGRESSIONAL APPROPRIATION	OTHER SOURCES	FY 1989 TOTAL
SOURCES OF FUNDS:			
Congressional Appropriation	$19,494	$0	$19,494
Local Governments and Others	0	269	269
Interest Earnings and Other Revenue	0	1,291	1,291
Return of Prior Year Grant Funds	0	138	138
Deobligation of Prior Year Grants	0	144	144
Balance, Start of Year	0	767	767
TOTAL SOURCES	$19,494	$2,609	$22,103
USES OF FUNDS:			
Compensation	$9,951	$89	$10,040
Travel	1,834	25	1,859
Professional Services	922	56	978
Conferences and Workshops	310	35	345
Occupancy	1,194	20	1,214
Telephone, Postage and Delivery	643	15	658
Printing and Supplies	410	22	432
Other General and Administrative	899	33	932
Grants and Grant Commitments	3,184	1,974	5,158
TOTAL USES	$19,347	$2,269	$21,616
CARRY FORWARD TO FY 1990	$147	$340	$487

TABLE 2

NEIGHBORHOOD REINVESTMENT CORPORATION
SOURCES AND USES OF FUNDS - ALL SOURCES
FISCAL YEAR 1990 PROJECTED
($000s)

	CONGRESSIONAL APPROPRIATION	OTHER SOURCES	TOTAL
SOURCES OF FUNDS:			
Congressional Appropriation	$26,554	$0	$26,554
Interest and Other Revenue	0	1,200	1,200
Local Governments	0	200	200
Deobligation of Prior Year Grants	0	145	145
Balance, Start of Year	0	487	487
TOTAL SOURCES	$26,554	$2,032	$28,586
USES OF FUNDS:			
Compensation	$11,380	$70	$11,450
Travel	1,910	20	1,930
Professional Services	1,645	30	1,675
Conferences and Workshops	480	20	500
Occupancy	1,355	20	1,375
Telephone, Postage and Delivery	730	10	740
Printing and Supplies	525	15	540
Other General and Administrative	1,030	15	1,045
Grants and Grant Commitments	7,499	1,282	8,781
TOTAL USES	$26,554	$1,482	$28,036
CARRY FORWARD TO FY 1991	$0	$550	$550

TABLE 3

NEIGHBORHOOD REINVESTMENT CORPORATION
SOURCES AND USES OF FUNDS - ALL SOURCES
FISCAL YEAR 1991 PROJECTED
($000s)

	CONGRESSIONAL APPROPRIATION	OTHER SOURCES	TOTAL
SOURCES OF FUNDS:			
Congressional Appropriation	$24,500	$0	$24,500
Interest and Other Revenue	0	1,260	1,260
Local Governments	0	200	200
Balance, Start of Year	0	550	550
TOTAL SOURCES	$24,500	$2,010	$26,510
USES OF FUNDS:			
Compensation	$11,380	$70	$11,450
Travel	1,980	20	2,000
Professional Services	1,524	30	1,554
Conferences and Workshops	405	20	425
Occupancy	1,405	20	1,425
Telephone, Postage and Delivery	730	10	740
Printing and Supplies	525	15	540
Other General and Administrative	1,030	15	1,045
Grants and Grant Commitments	5,521	1,810	7,331
TOTAL USES	$24,500	$2,010	$26,510
CARRY FORWARD TO FY 1992	$0	$0	$0

TABLE 4

NEIGHBORHOOD REINVESTMENT CORPORATION
COMPARISON OF FY 1989 ACTUAL , FY 1990 AND FY 1991 PROPOSED BUDGETS
MERGING PROGRAM DEVELOPMENT EXPENSES

	FY 1989 AUDITED ACTUAL	FY 1990 BUDGET	FY 1989/FY 1990 BUDGETS		FY 1991 PROPOSED BUDGET	FY 1990/FY 1991 PROPOSED BUDGETS	
			$	%		$	%
SOURCES OF FUNDS:							
Congressional Appropriation	$19,494,000	$26,554,000	$7,060,000	36.2%	$24,500,000	($2,054,000)	-7.7%
Interest and Other Revenue	1,428,716	1,200,000	(228,716)	-16.0%	1,260,000	60,000	5.0%
Local Government - program development	269,569	200,000	(69,569)	-25.8%	200,000	0	0.0%
Deobligation of Prior Year Grants	144,488	145,000	512	0.4%	0	(145,000)	NA
Carry Forward From Prior Year	765,771	487,000	(278,771)	-36.4%	550,000	63,000	12.9%
TOTAL SOURCES OF FUNDS:	$22,102,544	$28,586,000	$6,483,456	29.3%	$26,510,000	($2,076,000)	-7.3%
USES OF FUNDS:							
OPERATING EXPENSES:							
Compensation	$10,040,102	$11,450,000	$1,409,898	14.0%	$11,450,000	$0	0.0%
Travel	1,858,962	1,930,000	71,038	3.8%	2,000,000	70,000	3.6%
Professional Services	978,058	1,675,000	696,942	71.3%	1,554,000	(121,000)	-7.2%
Conferences and Workshops	344,364	500,000	155,636	45.2%	425,000	(75,000)	-15.0%
Occupancy	1,213,669	1,375,000	161,331	13.3%	1.425,000	50,000	3.6%
Telephone, Postage and Delivery	658,399	740,000	81,601	12.4%	740,000	0	0.0%
Printing, Films and Supplies	432,262	540,000	107,738	24.9%	540,000	0	0.0%
Other General and Administrative	931,445	1,045,000	113,555	12.2%	1,045,000	0	0.0%
SUB-TOTAL OPERATING EXPENSES	$16,457,261	$19,255,000	$2,797,739	17.0%	$19,179,000	($76,000)	-0.4%
GRANTS:							
Neighborhood Housing Services of America	$1,830,000	$3,530,000	$1,700,000	92.9%	$2,250,000	($1,280,000)	-36.3%
Reimbursable Acquisition Grants	0	500,000	500,000	NA	500,000	0	0.0%
NeighborWorks Development Grants	960,000	2,423,000	1,463,000	152.4%	2,071,000	(352,000)	-14.5%
Programmatic Supplement Grants	1,539,225	1,699,000	159,775	10.4%	1,700,000	1,000	0.1%
Administrative Grants	196,000	250,000	54,000	27.6%	250,000	0	0.0%
Neighborhood Preservation Project Grants	236,500	60,000	(176,500)	-74.6%	60,000	0	0.0%
Training Grants	396,623	869,000	472,377	119.1%	500,000	(369,000)	-42.5%
SUB-TOTAL GRANTS	$5,158,348	$9,331,000	$4,172,652	80.9%	$7,331,000	($2,000,000)	-21.4%
TOTAL ALL USES	$21,615,609	$28,586,000	$6,970,391	32.2%	$26,510,000	($2,076,000)	-7.3%

Comparison of Program Goals and FY 1989, FY 1989 and FY 1991 Funding Request

Table 7, on the following page, provides a comparison of fiscal 1989, 1990 and 1991 program goals and funding requirements for various Neighborhood Reinvestment activities. The expenses related to these activities vary widely. Starts and expansions of NeighborWorks programs and the implementation of major programmatic supplements are among the most costly activities because they require intensive staff time and substantial direct grant assistance. Other goals cited, such as those for Home Ownership Projects and Impact grants, are less staff intensive and involve small grants to strengthen the work of existing organizations.

Following Table 7 is a detailed listing of FY 1991 goals.

D. FY 1991 PROGRAM GOALS

- **Assist Programs to Extend Services:**
  - Assist 21 organizations to geographically extend their services to new target areas. Each organization requires assistance in the form of at least 90 professional person-days and/or a NeighborWorks development grant.
  - Assist 32 NeighborWorks organizations to extend their revitalization strategies to include multifamily and rental services. These strategies involve financing techniques for the rehabilitation of structures with five or more units housing low to moderate income families. Each organization requires assistance in the form of at least 30 professional person-days and/or a grant.
  - Assist six NeighborWorks organizations with Housing Development strategies to provide affordable housing through new construction or substantial rehabilitation. Each organization requires assistance in the form of at least 30 professional person-days and/or a grant.
  - Assist eight NeighborWorks organizations with Commercial and Economic Development Strategies to strengthen small businesses, improve the physical environment, provide organizational support, business counseling and loan packaging. Each organization requires assistance in the form of at least 30 professional person-days and/or a grant.
  - Assist 32 NeighborWorks organizations with Homeownership strategies to increase the number of owner occupied units through tenant conversion and neighborhood marketing programs. Each organization requires assistance in the form of at least 30 professional person-days and/or a grant.
  - Assist 15 Mutual Housing Associations to develop, own and manage housing in the public interest by offering residents the privilege of life-occupancy of a quality home at an affordable cost. Each organization requires assistance in the form of at least 30 professional person-days and/or a grant.
- **Reorganize Existing NeighborWorks Organizations:**
  - Assist programs to reorganize to overcome organizational difficulties, such as loss of board and staff leadership. We anticipate that four programs may require a NeighborWorks development grant; all will require extensive Neighborhood Reinvestment staff time.
- **Initiate New NeighborhWorks Organizations:**
  - Initiate development of NeighborWorks organizations in nine cities not currently served. Some may require a NeighborWorks development grant; 'all will require extensive Neighborhood Reinvestment staff time.

- **Initiate New NeighborWorks Organizations:**
    - Initiate development of NeighborWorks organizations in nine cities not currently served. Some may require a NeighborWorks development grant; all will require extensive Neighborhood Reinvestment staff time.
- **Provide Technical Services To NeighborWorks Organizations:**
    - Train 25 NeighborWorks organizations undertaking fund raising campaigns.
    - Assist 17 NeighborWorks organizations in the recruitment and hiring of qualified staff members.
    - Assist 18 programs to implement or upgrade manual or computerized internal systems such as those for accounting, lending or construction management.
    - Assist members of 37 NeighborWorks Boards to upgrade and enhance their leadership skills.
    - Assist one organization requiring interim staffing during a period of transition or expansion.
    - Assist four organizations to address the issues of crime and drugs.
    - Assist 15 organizations to acquire foreclosed properties.
- **Provide Training:**
    - Conduct a National Resident's Conference, a major training event, for over 315 partnership residents.
    - Provide 8,000 training contact hours for NeighborWorks' Board and staff members at two Institutes, one dedicated to the training needs of Executive Directors. (Contact hours is the sum of the hours individuals spend in training).
    - Provide 3,350 training contact hours in district and local training workshops to enhance the skills of NeighborWork organizations' Board and staff members.
- **Conduct Research & Evaluation Activities:**
    - Provide grants and/or at least 30 professional person-days for the identification, evaluation and documentation of selected strategies for a total of seven Neighborhood Preservation Projects strategies in ten sites.
    - Initiate trial replication of an additional New Neighborhood Strategy in two neighborhoods.
    - Conduct program reviews of 142 NeighborWorks organizations.

- **Maintain And Expand Communications:**
  - Issue 21 publications including the Corporation's annual report, newletters, manuals, monographs, information brochures, and comparable publications. Produce 50 other products including program booklets, training schedules, publicity and promotional products and video and slide presentations.
- **Broker Financial Services:**
  - Support Neighborhood Housing Services of America efforts to purchase $7 million in loans originated by NeighborWorks organizations.
  - Assist in the placement with financing sources of $15 million of multifamily loans originated by NeighborhWorks organizations.

PUBLIC LAW 95-557—OCT. 31, 1978

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1978

[illegible] O - 78 [illegible]

TITLE VI—NEIGHBORHOOD REINVESTMENT CORPORATION

Neighborhood Reinvestment Corporation Act.

SHORT TITLE

SEC. 601. This title may be cited as the "Neighborhood Reinvestment Corporation Act". 42 USC 8101 note.

FINDINGS AND PURPOSE

SEC. 602. (a) The Congress finds that— 42 USC 8101

(1) the neighborhood housing services demonstration of the Urban Reinvestment Task Force has proven its worth as a successful program to revitalize older urban neighborhoods by mobilizing public, private, and community resources at the neighborhood level; and

(2) the demand for neighborhood housing services programs in cities throughout the United States warrants the creation of a public corporation to institutionalize and expand the neighborhood housing services program and other programs of the present Urban Reinvestment Task Force.

(b) The purpose of this title is to establish a public corporation which will continue the joint efforts of the Federal financial supervisory agencies and the Department of Housing and Urban Development to promote reinvestment in older neighborhoods by local financial institutions working cooperatively with community people and local government, and which will continue the nonbureaucratic approach of the Urban Reinvestment Task Force, relying largely on local initiative for the specific design of local programs.

ESTABLISHMENT OF CORPORATION

SEC. 603. (a) There is established a National Neighborhood Reinvestment Corporation (hereinafter referred to as the "corporation") which shall be a body corporate and shall possess the powers, and shall be subject to the direction and limitations specified herein. 42 USC 8102

(b) The corporation shall implement and expand the demonstration activities carried out by the Urban Reinvestment Task Force. Duties.

(c) The corporation shall maintain its principal office in the District of Columbia or at such other place the corporation may from time to time prescribe. Offices.

(d) The corporation, including its franchise, activities, assets, and income, shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that any real property of the corporation shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

BOARD OF DIRECTORS; ESTABLISHMENT

SEC. 604. (a) The corporation shall be under the direction of a board of directors made up of the following members: Membership 42 USC 8103.

(1) the Chairman of the Federal Home Loan Bank Board;

(2) the Secretary of Housing and Urban Development;

(3) a member of the Board of Governors of the Federal Reserve System, to be designated by the Chairman of the Board of Governors of the Federal Reserve System;

(4) the Chairman of the Federal Deposit Insurance Corporation;

(5) the Comptroller of the Currency; and

(6) the Administrator of the National Credit Union Administration.

Chairman.

(b) The Board shall elect from among its members a chairman who shall serve for a term of two years, except that the Chairman of the Federal Home Loan Bank Board shall serve as Chairman of the Board of Directors for the first such two-year term.

Compensation and expenses.

(c) Each director of the corporation shall serve ex officio during the period he holds the office to which he is appointed by the President.

(d) The directors of the corporation, as full-time officers of the United States, shall serve without additional compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as directors of the corporation.

(e) The directors of the corporation shall adopt such bylaws, policies, and administrative provisions as are necessary to the functioning of the corporation and consistent with the provisions of this title.

Quorum.

(f) The presence of a majority of the board members shall constitute a quorum.

(g) The corporation shall be subject to the provisions of section 552 of title 5, United States Code.

(h) All meetings of the board of directors will be conducted in accordance with the provisions of section 552b of title 5, United States Code.

OFFICERS AND EMPLOYEES

42 USC 8104.

Sec. 605. (a) The board shall have power to select, employ, and fix the compensation and benefits of such officers, employees, attorneys, and agents as shall be necessary for the performance of its duties under this title, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and General Schedule pay rates, except that no officer, employee, attorney, or agent of the corporation may be paid compensation at a rate in excess of the highest rate provided for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(b) The directors of the corporation shall appoint an executive director who shall serve as chief executive officer of the corporation.

(c) The executive director of the corporation, subject to approval by the board, may appoint and remove such employees of the corporation as he determines necessary to carry out the purposes of the corporation.

(d) No political test or political qualification shall be used in selecting, appointing, promoting, or taking any other personnel action with respect to any officer, agent, or employee of the corporation or of any recipient, or in selecting or monitoring any grantee, contractor, or person or entity receiving financial assistance under this title.

(e) Officers and employees of the corporation shall not be considered officers or employees of the United States, and the corporation shall not be considered a department, agency, or instrumentality of the Federal Government. The corporation shall be subject to administrative and cost standards issued by the Office of Management and Budget similar to standards applicable to non-profit grantees and educational institutions.

TABLE 5

NEIGHBORHOOD REINVESTMENT CORPORATION
LINE ITEM COMPARISON - USES OF FUNDS
FISCAL YEARS 1989 - 1991\CONGRESSIONAL APPROPRIATION ONLY
($000s)

	FY 1989 ACTUAL	FY 1990 PROJECTED	VARIANCE FY 1989 - 1990 $	VARIANCE FY 1989 - 1990 %	FY 1991 PROPOSED	VARIANCE FY 1990 - 1991 $	VARIANCE FY 1990 - 1991 %
Compensation	$9,951	$11,380	$1,429	14.4%	$11,380	$0	0.0%
Travel	1,834	1,910	76	4.1%	1,980	70	3.7%
Professional Services	922	1,645	723	78.4%	1,524	(121)	-7.4%
Conferences and Workshops	310	480	170	54.8%	405	(75)	-15.6%
Occupancy	1,194	1,355	161	13.5%	1,405	50	3.7%
Telephone, Postage and Delivery	643	730	87	13.5%	730	0	0.0%
Printing and Supplies	410	525	115	28.0%	525	0	0.0%
Other General and Administrative	899	1,030	131	14.6%	1,030	0	0.0%
Grants and Grant Commitments	3,184	7,499	4,315	135.5%	5,521	(1,978)	-26.4%
TOTAL	$19,347	$26,554	$7,207	37.3%	$24,500	($2,054)	-7.7%

TABLE 6

NEIGHBORHOOD REINVESTMENT CORPORATION
LINE ITEM COMPARISON - USES OF FUNDS
FISCAL YEARS 1989 - 1991\ALL SOURCES OF FUNDS
($000s)

	FY 1989 ACTUAL	FY 1990 PROJECTED	VARIANCE FY 1989 - 1990 $	%	FY 1991 PROPOSED	VARIANCE FY 1990 - 1991 $	%
Compensation	$10,040	$11,450	$1,410	14.0%	$11,450	$0	0.0%
Travel	1,859	1,930	71	3.8%	2,000	70	3.6%
Professional Services	978	1,675	697	71.3%	1,554	(121)	-7.2%
Conferences and Workshops	344	500	156	45.3%	425	(75)	-15.0%
Occupancy	1,214	1,375	161	13.3%	1,425	50	3.6%
Telephone, Postage and Delivery	659	740	81	12.3%	740	0	0.0%
Printing and Supplies	432	540	108	25.0%	540	0	0.0%
Other General and Administrative	932	1,045	113	12.1%	1,045	0	0.0%
Grants and Grant Commitments	5,158	9,331	4,173	80.9%	7,331	(2,000)	-21.4%
TOTAL	$21,616	$28,586	$6,970	32.2%	$26,510	($2,076)	-7.3%

TABLE 7
NEIGHBORHOOD REINVESTMENT CORPORATION
COMPARISON OF ACTIVITIES AND OUTPUT MEASURES/FY 1989 TO FY 1991

	FY 1989 ACTUAL	FY 1990 PROPOSED	FY 1991 PROPOSED	VARIANCE FY 90/FY 91
Total NeighborWorks Neighborhoods 265 (1)				
Mutual Housing Associations 8 (1)				
ASSIST PROGRAMS TO EXTEND SERVICES:				
Geographical Expansions	25	21	21	0
Multifamily\Rental	30	32	32	0
Housing Development	15	6	6	0
Commercial and Economic Development	13	8	8	0
Home Ownership	29	32	32	0
REORGANIZE EXISTING NEIGHBORWORKS ORGANIZATIONS (2)	5	4	4	0
INITIATE NEW NEIGHBORWORKS ORGANIZATIONS (2)	7	12	9	(3)
PROVIDE TECHNICAL SERVICES TO NEIGHBORWORKS ORGANIZATIONS: (3)				
Fund Raising Campaigns	27	25	25	0
Hiring\Training Staff	18	17	17	0
Implementation of Systems	18	25	18	(7)
Board Training	35	37	37	0
Interim Staffing	3	1	1	0
Crime and Drug Intervention	3	4	4	0
Facilitating Acquisition of Foreclosed Properties	3	15	15	0
PROVIDE TRAINING:				
National Conference (Participants)	N/A	1,200	315	(885)
Training Institutes (Contact Hours)	14,205	8,000	8,000	0
District/Local Conferences (Participants)	2,060	4,000	3,350	(650)
CONDUCT RESEARCH & EVALUATION ACTIVITIES:				
Neighborhood Preservation Projects				
# of Strategies/# of Sites	9/13	7/10	7/10	0/0
Replication of New Strategies				
# of Strategies/# of Sites	2/4	2/7	3/9	1/2
Program Reviews Conducted	121	142	142	0
MAINTAIN AND EXPAND COMMUNICATIONS:				
Publications Issued	16	21	21	0
Other Products	24	50	50	0
BROKER FINANCIAL SERVICES:				
NHSA Loan Purchases ($000s)	$5,041	$10,000	$7,000	($3,000)
Other Multifamily Loan Purchases ($000s)	$5,500	$20,000	$15,000	($5,000)
NEIGHBORHOOD REINVESTMENT RESOURCES:				
Dollar Amount of Grants ($000s)	$5,150	$9,331	$7,331	($2,000)
Full Time Staff Equivalents	227	237	230	(7)
Budget Resources ($000s)	$21,616	$28,586	$26,510	($2,076)

(1) # as of December 31, 1989

(2) The major goals for geographical expansions, the initiation of new developments and the reorganizations of existing organizations are relatively interchangeable. Circumstances will dictate how many reorganizations are required. If there are more than the projected level, resources will be directed from expansions and new developments to assists existing organizations.

(3) The type of technical services required will vary; these figures represent an estimate of our ability to respond to needs as they arise; rather than our projection of goals.

POWERS AND DUTIES

Housing services programs, continuation.
42 USC 8105.

SEC. 606. (a)(1) The corporation shall continue the work of the Urban Reinvestment Task Force in establishing neighborhood housing services programs in neighborhoods throughout the United States, supervising their progress, and providing them with grants and technical assistance. For the purpose of this paragraph, a neighborhood housing services program may involve a partnership of neighborhood residents and representatives of local governmental and financial institutions, organized as a State-chartered non-profit corporation, working to bring about reinvestment in one or more neighborhoods through a program of systematic housing inspections, increased public investment, increased private lending, increased resident investment, and a revolving loan fund to make loans available at flexible rates and terms to homeowners not meeting private lending criteria.

Preservation projects.

(2) The corporation shall continue the work of the Urban Reinvestment Task Force in identifying, monitoring, evaluating, and providing grants and technical assistance to selected neighborhood preservation projects which show promise as mechanisms for reversing neighborhood decline and improving the quality of neighborhood life.

(3) The corporation shall experimentally replicate neighborhood preservation projects which have demonstrated success, and after creating reliable developmental processes, bring the new programs to neighborhoods throughout the United States which in the judgment of the corporation can benefit therefrom, by providing assistance in organizing programs, providing grants in partial support of program costs, and providing technical assistance to ongoing programs.

(4) The corporation shall continue the work of the Urban Reinvestment Task Force in supporting Neighborhood Housing Services of America, a nonprofit corporation established to provide services to local neighborhood housing services programs, with support which may include technical assistance and grants to expand its national loan purchase pool and may contract with it for services which it can perform more efficiently or effectively than the corporation.

(5) The corporation shall, in making and providing the foregoing grants and technical and other assistance, determine the reporting and management restrictions or requirements with which the recipients of such grants or other assistance must comply. In making such determinations, the corporation shall assure that recipients of grants and other assistance make available to the corportion such information as may be necessary to determine compliance with applicable Federal laws.

(b) To carry out the foregoing purposes and engage in the foregoing activities, the corporation is authorized—

(1) to adopt, alter, and use a corporate seal;

(2) to have succession until dissolved by Act of Congress;

(3) to make and perform contracts, agreements, and commitments;

(4) to sue and be sued, complain and defend, in any State, Federal, or other court;

(5) to determine its necessary expenditures and the manner in which the same shall be incurred, allowed, and paid, and appoint, employ, and fix and provide for the compensation of consultants, without regard to any other law, except as provided in section 608(d);

(6) to settle, adjust, and compromise, and with or without compensation or benefit to the corporation to release or waive in whole

or in part, in advance or otherwise, any claim, demand, or right of, by, or against the corporation;

(7) to invest such funds of the corporation in such investments as the board of directors may prescribe;

(8) to acquire, take, hold, and own, and to deal with and dispose of any property; and

(9) to exercise all other powers that are necessary and proper to carry out the purposes of this title.

Contracts and grants

(c)(1) The corporation may contract with the Office of Neighborhood Reinvestment of the Federal home loan banks for all staff, services, facilities, and equipment now or in the future furnished by the Office of Neighborhood Reinvestment to the Urban Reinvestment Task Force, including receiving the services of the Director of the Office of Neighborhood Reinvestment as the corporation's executive director.

(2) The corporation shall have the power to award contracts and grants to—

(A) neighborhood housing services corporations and other nonprofit corporations engaged in neighborhood preservation activities; and

(B) local governmental bodies.

Services and facilities

(3) The Secretary of Housing and Urban Development, the Federal Home Loan Bank Board and the Federal home loan banks, the Board of Governors of the Federal Reserve System and the Federal Reserve banks, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency, the National Credit Union Administration or any other department, agency, or other instrumentality of the Federal Government are authorized to provide services and facilities, with or without reimbursement, necessary to achieve the objectives and to carry out the purposes of this title.

(d)(1) The corporation shall have no power to issue any shares of stocks, or to declare or pay any dividends.

(2) No part of the income or assets of the corporation shall inure to the benefit of any director, officer, or employee, except as reasonable compensation for services or reimbursement for expenses.

(3) The corporation may not contribute to or otherwise support any political party or candidate for elective public office.

REPORTS AND AUDITS

Transmittal to President and Congress
42 USC 8106.

Sec. 607. (a) The corporation shall publish an annual report which shall be transmitted by the corporation to the President and the Congress.

(b) The accounts of the corporation shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants who are certified by a regulatory authority of the jurisdiction in which the audit is undertaken.

(c) In addition to the annual audit, the financial transactions of the corporation for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the General Accounting Office in accordance with such rules and regulations as may be prescribed by the Comptroller General of the United States. The financial transactions of the corporation shall be audited by the General Accounting Office at least once during each three years.

(d) For any fiscal year during which Federal funds are available to finance any portion of the corporation's grants or contracts, the General Accounting Office, in accordance with such rules and regulations as may be prescribed by the Comptroller General of the United States, may audit the grantees or contractors of the corporation.

PUBLIC LAW 95-557—OCT. 31, 1978 **92 STAT. 2119**

(e) The corporation shall conduct or require each grantee or contractor to provide for an annual financial audit. The report of each such audit shall be maintained for a period of at least five years at the principal office of the corporation.

AUTHORIZATION

Sec. 608. (a) There are authorized to be appropriated to the corporation to carry out this title not to exceed $12,500,000 for fiscal year 1979. Appropriation authorization. 42 USC 8107.

(b) Funds appropriated pursuant to this section shall remain available until expended.

(c) Non-Federal funds received by the corporation, and funds received by any recipient from a source other than the corporation, shall be accounted for and reported as receipts and disbursements separate and distinct from Federal funds.

(d) The corporation shall prepare annually a business-type budget which shall be submitted to the Office of Management and Budget, under such rules and regulations as the President may establish as to the date of submission, the form and content, the classifications of data, and the manner in which such budget program shall be prepared and presented. The budget of the corporation as modified, amended, or revised by the President shall be transmitted to the Congress as a part of the annual budget required by the Budget and Accounting Act, 1921. Amendments to the annual budget program may be submitted from time to time. Annual budget submittal. Transmittal to Congress. 31 USC 1.

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1980

PUBLIC LAW 96-399—OCT. 8, 1980 **94 STAT. 1645**

NEIGHBORHOOD REINVESTMENT CORPORATION

Sec. 315. Title VI of the Housing and Community Development Amendments of 1978 is amended—

(1) by striking out "National" in section 603(a); 42 USC 8102

(2) by striking out "supervising" in the first sentence of section 605(a)(1) and inserting in lieu thereof the word "monitoring"; and 42 USC 8105

(3) by striking out "and not to exceed $12,000,000 for fiscal year 1980" in section 608(a) and inserting in lieu thereof the following: "not to exceed $12,000,000 for fiscal year 1980, and not to exceed $13,426,000 for fiscal year 1981" 42 USC 8107

GARN-ST GERMAIN DEPOSITORY INSTITUTIONS ACT OF 1982.

96 STAT. 1544 **PUBLIC LAW 97-320—OCT. 15, 1982**

NEIGHBORHOOD REINVESTMENT CORPORATION

42 USC 8103 Sec. 710. (a) Section 604 of the Neighborhood Reinvestment Corporation Act (Public Law 95-557) is amended—

(1) by redesignating subsections (f), (g), and (h) as subsections (g), (h), and (i), respectively, and by inserting after subsection (e) the following:

"(f) A director who is necessarily absent from a meeting of the board, or of a committee of the board, may participate in such meeting through a duly designated representative who is serving, pursuant to appointment by the President of the United States, by and with the advice and consent of the Senate, in the same department, agency, corporation, or instrumentality as the absent director, or in the case of the Comptroller of the Currency, through a duly designated Deputy Comptroller."; and

(2) by inserting in section 604(g), as redesignated, after "members" a comma and the words "or their representatives as provided in subsection (f),".

42 USC 8105 (b) Section 606(c)(3) of such Act is amended by inserting "funds," after "provide".

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1987

101 STAT. 1938 **PUBLIC LAW 100-242—FEB. 5, 1988**

SEC. 520. NEIGHBORHOOD REINVESTMENT CORPORATION.

42 USC 8103. (a) Composition of Board.—Section 604 of the Neighborhood Reinvestment Corporation Act is amended—

(1) by inserting before the semicolon in subsection (a)(1) the following: "or a member of the Federal Home Loan Bank Board to be designated by the Chairman";

(2) by striking out subsection (a)(3) and inserting in lieu thereof the following: "(3) the Chairman of the Board of Governors of the Federal Reserve System, or a member of the Board of Governors of the Federal Reserve System to be designated by the Chairman;";

(3) by inserting before the semicolon in subsection (a)(4) the following: "or the appointive member of the Board of Directors of the Federal Deposit Insurance Corporation if so designated by the Chairman"; and

(4) by striking out "Administrator" in subsection (a)(6) and inserting in lieu thereof the word "Chairman"; and by inserting after "Administration" the following: "or a member of the Board of the National Credit Union Administration to be designated by the Chairman.".

Attachment B-1

NEIGHBORHOOD REINVESTMENT SPONSORED PROGRAMS

NEIGHBORWORKS ORGANIZATIONS:

Neighborhood Housing Services
Neighborhood Housing Services (NHSs) are locally initiated, private, non-profit corporations through which neighborhood residents work in partnership with local businesses and government leaders to bring about healthy neighborhood change, to reverse decline and upgrade the quality of neighborhood life for those living and doing business there.

Apartment Improvement Programs
The Apartment Improvement Program (AIP) joins city officials, financial institutions, property owners, tenants, and neighborhood organizations in a partnership to upgrade large apartment buildings. The AIP may be a separate non-profit corporation or part of an NHS.

Mutual Housing Associations
A Mutual Housing Association develops, owns, and manages housing in the public interest. It offers a form of tenure that provides its resident members both the privilege of life-occupancy and a quality home at an affordable cost. The member shares in both the cost of production through a one-time membership fee and in the maintenance and management responsibilities.

A list of active NeighborWorks organizations begins on the following page. These organizations implement various component strategies to address concerns of their neighborhoods.

STRATEGIES:

Multifamily Housing
Multifamily rental strategies improve rental housing in low to moderate income urban neighborhoods and rural communities for the benefit of lower income residents.

Housing Development Strategies
Housing Development Strategies include owner-built housing, owner-rehab housing, in-fill housing and urban subdivision development. Owner built is a housing construction process that helps low to moderate income families to collectively build their own homes. Developed as part of an NHS, the program addresses problems such as the negative impact of vacant lots in a community and the need for affordable housing. Owner rehab housing organizes families to rehab vacant existing structures.

Commercial and Economic Development
This program works to reverse the economic decline in NHS neighborhoods by strengthening small businesses, improving the physical environment of the area, providing additional goods, services, and employment in the neighborhood, and removing barriers to local entrepreneurial development.

Neighborhood Preservation Projects
Neighborhood Preservation Projects seek out promising strategies and new tools to reverse factors contributing to neighborhood decline.

NEIGHBORHOOD REINVESTMENT OPERATING NEIGHBORWORKS ORGANIZATIONS

- Alabama
    - Birmingham
- Alaska
    - Anchorage
- Arizona
    - Avondale
    - Phoenix
- California
    - Anaheim
    - Banning
    - Emeryville
    - Inglewood
    - La Habra
    - Los Angeles (2)
    - Menlo Park
    - Oakland
    - Pasadena
    - Richmond
    - Sacramento (2)
    - San Bernardino
    - San Diego
    - Santa Ana
    - Vallejo
- Colorado
    - Colorado Springs
    - Denver (2)
    - Pueblo
- Connecticut
    - Bridgeport
    - Hartford (3)
    - New Britain
    - New Haven
    - Norwalk
    - Stamford (2)
    - Waterbury
- District of Columbia
    - Washington (2)
- Florida
    - Clearwater
    - Fort Lauderdale
    - Gainesville
    - Jacksonville
    - Miami
    - Saint Petersburg
    - Tampa
    - West Palm Beach
- Georgia
    - Atlanta
    - Savannah
- Hawaii
    - Honolulu
    - Nanakuli
- Idaho
    - Boise
- Illinois
    - Aurora
    - Chicago
    - Elgin
    - Kankakee
    - Peoria
- Indiana
    - Evansville
    - Fort Wayne
    - Lafayette
    - South Bend
- Iowa
    - Davenport
    - Des Moines
- Kansas
    - Kansas City
- Kentucky
    - Louisville
- Louisiana
    - Lafayette
    - New Orleans
    - Shreveport
- Maine
    - South Portland
- Maryland
    - Baltimore (2)
    - Cumberland

- Massachusetts
  - Boston
  - Cambridge
  - Chelsea
  - Lawrence
  - Quincy
  - Springfield
- Michigan
  - Burton
  - Detroit
  - Kalamazoo
  - Pontiac
  - Saginaw
- Minnesota
  - Duluth
  - Minneapolis (2)
  - Saint Paul (3)
- Mississippi
  - Jackson
- Missouri
  - Kansas City
  - Saint Louis
- Montana
  - Great Falls
- Nebraska
  - Lincoln
  - Omaha
- New Jersey
  - Camden
  - Jersey City
  - Newark (2)
  - Trenton
- New Mexico
  - Albuquerque
  - Santa Fe
- New York
  - Buffalo (6)
  - Cattaraugus County
  - Hudson
  - Ithaca
  - Mount Vernon
  - New York City (6)
    - Bronx
    - Brooklyn
    - Manhattan
    - Queens
    - Staten Island
  - Niagara Falls
  - Rochester
  - Syracuse
  - Utica
  - Yonkers
- North Carolina
  - Asheville
  - Charlotte
  - Durham
- Ohio
  - Barberton
  - Cincinnati
  - Cleveland Heights
  - Cleveland
  - Columbus
  - Toledo
- Oklahoma
  - Oklahoma City
  - Tulsa
- Pennsylvania
  - Allentown
  - Philadelphia
  - Pittsburgh
  - Reading
  - Scranton
- Puerto Rico
  - Carolina
- Rhode Island
  - East Providence
  - Providence
- South Carolina
  - Charleston
- Tennessee
  - Knoxville
  - Chattanooga
- Texas
  - Austin
  - Beaumont
  - Dallas

- Dimmit County
- Fort Worth
- Houston
- San Antonio

Utah

- Salt Lake City

Virginia

- Richmond

Vermont

- Barre
- Randolph
- West Rutland

Washington

- Aberdeen
- Mabton

Wisconsin

- Beloit
- Green Bay
- Kenosha
- Milwaukee
- Richland Center

Wyoming

- Casper

Note: The numbers in parenthesis indicate the number of separately incorporated NeighborWorks entities in that city.

Attachment B-2

NEIGHBORHOOD HOUSING SERVICES MODEL

Neighborhood Housing Services (NHS) is a comprehensive coordinated reinvestment strategy to produce neighborhood revitalization for the benefit of current residents. This strategy, carried out by a partnership of neighborhood residents, business and financial leaders, and local government officials, systematically improves housing and upgrades neighborhood services and amenities. The goal of NHS is to exert a stabilizing influence on a neighborhood, reversing decline, and reducing risk for lenders, insurers, and others doing business in the neighborhood.

For this strategy to have the desired long-term results, and for there to be a renewal of confidence, an improved quality of life must be perceived in the neighborhood by the residents and by the larger community. This perception reverses the weak demand factors which contribute to disinvestment.

Neighborhood revitalization is accelerated by setting explicit block-by-block goals for improvements in image, market and physical condition. Success is then measured in terms of meeting the block-by-block goals to attain self reliance.

To accomplish its goals, NHS has the following basic attributes and services:

> Private and Independent: Funding for the administrative budget is provided primarily by financial and business organizations. While government funds are contributed to the revolving loan fund and for administration, strong efforts are made to ensure that government funding does not damage the private character of the program through disproportionate government control.
>
> Nonprofit Corporation: NHS programs are incorporated under Section 501(c)(3) of the tax code and are therefore tax-exempt charitable organizations. No stock or profit accrues to its members.
>
> Locally Controlled: The NHS program is governed by a local board of directors made up of neighborhood residents, at-large community members, business leaders and local government representatives. NHS is not a government controlled program. Neighborhood Reinvestment input is through monitoring and the provision of educational programs, technical services and project development assistance by invitation of the NHS board of directors.
>
> Designated Neighborhood: The NHS operates in a neighborhood with defined boundaries. Multiple neighborhoods are undertaken where resources can be raised to adequately serve each neighborhood.

Numerical Majority of Residents on Board: Both the board and committee structure reflect the partnership and although no partner controls, neighborhood residents constitute a numerical majority of the board. Local government participation is by board membership and/or committee participation.

Working Board: The NHS board manages the affairs of the corporation. It accepts and carries out the ongoing responsibility for maintaining the resources necessary to operate the NHS program. Other responsibilities include assuring proper financial management, designating target areas, reaching agreements with local government on appropriate code inspection services and public improvements, maintaining a viable partnership including a strong level of organized resident participation, providing effective staffing, and designing creative strategies to accomplish particular neighborhood objectives. The board carries out these responsibilities through a committee structure.

Skilled and Committed Staff: NHS programs have operated successfully with as few as one or two staff members supplemented by a high degree of voluntarism; however, where resources have permitted it, programs have achieved greater momentum with a staff of four or more. The staff, under supervision of an executive director, implements activities mandated by the board of directors. The staff provides management support to the board of directors in its fundraising efforts.

Organized Resident Support: Organized resident support is provided by resident board members and by other organized neighborhood groups to stimulate strong resident participation in the program and create a positive improvement climate within the neighborhood.

Offices in the Neighborhoods: The NHS program is administered from offices in the designated neighborhood(s).

Through a cooperative effort, the staff, board, and committees assure that the following services are among those made available to neighborhood residents needing them:

Financial Services: The NHS offers financial counseling and makes referrals to financial institutions or other agencies as appropriate.

Bankable Lending: Financial institutions cooperate to provide mortgage and home improvement loans based upon sound underwriting criteria.

Public Loan Resources: Local and state government loan resources are utilized whenever NHS clients can meet their qualifications.

Revolving Loan Fund: NHS administers a loan fund to meet the rehabilitation mortgage needs of nonbankable NHS clients and, in some cases, to provide capital for specific projects. Loans are made at flexible rates and terms which fit the borrower's ability to repay. The loan is secured by the property, usually through a second deed of trust or mortgage.

Home Ownership Counseling for Tenants: Neighborhood renters are assisted in considering the purchase of a home in the neighborhood.

Rehabilitation Counseling: NHS provides design assistance, cost estimates, work write-ups (specifications), and home repair counseling.

Construction Monitoring: NHS can provide on-site inspections of work in progress for any rehabilitation in the NHS target area, not only those receiving an NHS loan. Thus, NHS serves as a communication link between contractors and residents.

Code Inspections: A sensitive, systematic, and comprehensive housing inspection program may often be a key to program effectiveness. The inspections are aimed at achieving voluntary compliance with generally accepted health and safety standards, but are backed up with local legal authority. In order to implement this program component, a city designates specific inspectors to work with the NHS.

Advocacy for Neighborhood Improvement: NHS works to improve the overall quality of life for neighborhood residents, not merely to lend to them. NHSs secure public and private resources for vital neighborhood improvements. The board of directors continuously evaluates NHS progress towards stabilizing the neighborhood, and may add new program components or expand services to additional areas. After a neighborhood has achieved a self reliance, NHS may continue to provide some minimal level of services.

Attachment B-3

DEVELOPMENT PROCESS

To bring an NHS program into existence, a working partnership of disparate groups must be forged. Before the NHS developmental process, these groups often exhibit some degree of suspicion or lack of confidence in one another. Establishing positive relationships among business people, representatives of local government and neighborhood residents is the central thrust of the development process. The staff of Neighborhood Reinvestment are trained in educational processes designed to "build bridges" between the partnership groups, enabling the three groups to discover the common ground on which each of their self-interests will be served through an NHS program tailored by the community to meet local needs.

The developmental process usually takes between 12 and 18 months. The process begins with an application or expression of interest from a city government, a community group, or a local financial institution. In response to that inquiry, Neighborhood Reinvestment staff visit the city to assess the potential availability of local financial resources and the willingness of potential members of the partnership to commit their energies to the program.

Once Neighborhood Reinvestment staff are convinced that the potential commitments exist for the formation of an NHS, a field services officer is assigned and a development coordinator is hired. The development coordinator, someone already familiar with the community, works with members of the potential partnership groups through a carefully designed set of workshops and committee tasks to develop working relationships among the partnership groups and an important sense of joint authorship of the NHS.

An early workshop brings together business and financial representatives, city officials, and community leaders to learn about NHS and commit themselves to establishing a program. An affirmative decision includes the following commitments:

- o All partners agree to serve on committees for the remainder of the development process and to actively participate in the NHS when established.
- o Business and financial leaders agree to make financial contributions in support of the NHS operating budget. Financial leaders agree to make home improvement and purchase mortgages to qualified NHS residents.
- o Local government officials cooperating with residents in identifying needs, agree to make capital improvements and code inspections in the target neighborhood. They may agree to make low interest loan programs available to qualifying NHS clients. Officials also commit to provide capital for a revolving loan fund for unbankable residents. In some communities, local and state governments may also provide part of the NHS administrative budget.

- Residents agree to actively participate in the program by improving their homes and neighborhoods in cooperation with the other two partners.

In the remaining workshops, the participants select a target neighborhood, recruit significant resident representation from the selected neighborhood, witness an operational NHS in another city, adopt bylaws for the new corporation, and elect a board of directors. The developmental process culminates with the hiring of staff and initiation of operations in the NHS neighborhood.

When program operations begin, Neighborhood Reinvestment, at the request of the new NHS, provides on-going training, technical services, and project development assistance to the board and staff as resources permit.

Attachment B-4

MUTUAL HOUSING ASSOCIATIONS

PROGRAM GOALS

A network of Mutual Housing Associations located in communities of need throughout the United States can serve those households which cannot be served by either the private sector or by public housing. The Neighborhood Reinvestment model offers low-and moderate-income association resident-members a step up from rental - not individual ownership, but a lifelong residency privilege and a voice in everyday management decisions. Mutual Housing Associations follow a successful European housing form and are distinct in several ways from other American approaches to mutual and cooperative housing. With broad participation from the public and private sectors, Mutual Housing Associations are designed to be continuous producers of additional affordable housing. By comparison, cooperatives generally lack this long term public purpose.

METHODS OF ACHIEVEMENT

- A Mutual Housing Association is a combination of title and tenure. The Association, as a corporate entity, owns its properties, renting units to its members. The resident members pay a capital fee (about 5% of the value of the unit) to qualify for membership and residence. This fee is returned with nominal interest when the member moves. Although members do not participate in capital appreciation, they enjoy a voice in management and the security of long term tenure.

- A Mutual Housing Association has a special form of governance. Its Board of Directors is a public/private/community/resident "partnership". Residents of association units and members waiting for units compose a majority of the board. The other members are representatives of the communities in which the association operates. These representatives of local and state governments, housing professionals and business people strengthen the association's management.

- A Mutual Housing Association utilizes "front-end" capital grants from public and private sources to minimize debt service costs and provide security of tenure and long term affordability to resident-members.

- A Mutual Housing Association is a continuous producer of housing by including in its rent calculations a "return on public capital" dedicated along with any other financial surpluses to production of additional units.

- A Mutual Housing Association is a publicly accountable, nonprofit corporation with a mission of community improvement and service to lower income households.

ACCOMPLISHMENTS:

Neighborhood Reinvestment has had eight years of experience in adapting the Western European mutual housing association model to meet housing needs in the United States. It has developed and assisted the pilot Mutual Housing Association demonstration in Baltimore, Maryland and additional Mutual Housing Associations on Manhattan's Lower East Side; in Hartford, Connecticut; Austin, Texas; Sacramento, California; Ithaca, New York; Stamford, Connecticut and Norwalk, Connecticut.

The approach has varied: the Baltimore demonstration was focused initially on new townhouse construction, the Lower East Side Association targets rehabilitation of vacant tenements, the Hartford Association has acquired existing occupied buildings and plans new construction, the Austin Association is acquiring and rehabilitating foreclosed properties held by private lenders, and the Sacramento Association is acquiring a defaulted HUD project. The Ithaca NHS owns a substantial amount of rental housing which it plans to transfer to the planned Mutual Housing Association. The City of Stamford, Connecticut voted to grant the Stamford NHS $3.5 million enabling the NHS to purchase a future Mutual Housing Association site, to which the State of Connecticut has committed $10 million in capital grants. Seventy units will be constructed during the first phase of the Mutual Housing Development in Stamford.

Attachment B-5

EDUCATION, TECHNICAL SERVICES AND DEVELOPMENT ASSISTANCE

Training, technical services and project development assistance ensures the continued viability and effectiveness of NeighborWorks organizations. The resources Neighborhood Reinvestment provides to existing Neighborhood Housing Services programs are often essential to the continued progress of the NHS.

METHODS OF ACHIEVEMENT

The program goals are accomplished by an array of support activities, which generally fall within the categories of:

I. Educational Programs, Conferences, Workshops and Information Services
II. Technical Services
III. Project Development Assistance

I. EDUCATIONAL PROGRAMS, CONFERENCES, WORKSHOPS AND INFORMATION SERVICES

These services are essential in meeting the ongoing training and educational needs of NHS programs. They strengthen local program capacity to reach their overall goal of neighborhood self reliance. Services in this category include:

A. EDUCATIONAL PROGRAMS
Neighborhood Reinvestment's Training Department offers a broad range of intensive courses for new and experienced NHS staff members to increase their skills in the following areas:

- Nonprofit Management and Leadership Development Skills
- Nonprofit Loan Processing and Construction Management
- Fundraising and Marketing
- Nonprofit Residential Real Estate Development
- Commercial and Economic Development

In FY 1990, we anticipate that two institutes will be held providing 8,000 hours of contact training hours. One institute will focus specifically on the training needs of executive directors. In FY 1991, similar institutes are planned.

B. CONFERENCES AND WORKSHOPS

Each year, a number of special purpose conferences and workshops are held to provide information, ideas, and resources that will encourage development in our communities. The program content of these conferences covers a range of subjects from leadership to community environmental issues. Conferences provide the participants with an opportunity to receive and share information in a formal process through workshops, classes and presentations. Informal networking is also a significant part of this learning environment and provides an opportunity for the attendees to share knowledge and experiences with others working toward similar neighborhood goals. In FY 1987, a National Leadership Conference was held in New Orleans, Louisiana. Attendees included executive directors, board presidents and two other members of the partnership. In FY 1988, a smaller National Residents' Conference was held in San Diego, California for 315 participants. In January 1990, the National Leadership Conference for 1,200 participants was held in Washington D.C.

C. INFORMATION SERVICES:

To share the accumulated knowledge, accomplishments, services and skills of our staff and the national NeighborWorks network, information about numerous publications and informative materials are published.

They include:

* Periodicals and reports ("Bright Ideas" and "Stone Soup" newsletters, an annual report);

* Manuals and guides (loan process guide, construction process guide, fundraising manual, financial management & accounting guide);

* Sample materials (marketing pieces, local program brochures, "model" agreements and proposals, planning documents, case statements, neighborhood inventory/impact instruments);

* Resources catalogues (information on contributors and grant sources, historic preservation groups, H.U.D. and other programs);

* Research and development publications (NPP "how to" manuals)

* Visual aids (slide shows, videotape recordings, and films);

On behalf of the national NHS/NeighborWorks network, Neighborhood Reinvestment serves as the client representative for a public service advertising campaign sponsored by the Advertising Council, Inc. Local organizations are provided with training and materials, including public service announcements for radio, television, and print use.

We anticipate 21 publications will be issued and 50 other communication materials produced in FY 1990 and a like number in FY 1991.

II. TECHNICAL SERVICES

A substantial portion of field staff activity includes on-site training and technical services. Such services include the following:

A. LOCAL TRAINING AND EDUCATIONAL WORKSHOPS

- o NHS executive director orientation
- o Board of directors workshops
- o Local educational workshops

B. OPERATIONAL ASSISTANCE AND PROBLEM SOLVING

Assistance may be provided in such areas as staff recruitment and evaluation, personnel policies, legal responsibilities, committee functions, bookkeeping and accounting, general management systems, community relations, marketing, construction processes, fundraising, and neighborhood strategy development. Other activities include:

- o Program Reviews
  To monitor progress of an NHS or Mutual Housing Association and to facilitate a self-examination by the partnership of the NHS program. We anticipate we will conduct 142 program reviews in FY 1990 and a like number in FY 1991.

- o Reorganization Assistance
  To provide intensive reorganization assistance when a program is struggling to maintain quality services. This often includes recruitment of new board members and staff. We anticipate we will so assist four organizations in FY 1990 and four in FY 1991.

- o Neighborhood Impact Planning
  To provide assistance to existing NHS programs to design, and implement a comprehensive neighborhood plan for achieving neighborhood goals. Such goals often focus on the image and appearance of the neighborhood.

- o Crisis Intervention
  To provide assistance to existing NHSs to address serious, short term problems such as weak management, large operating budget deficits or litigation.

- o Interim Staffing
  To maintain, in exceptional circumstances, crucial daily operations during vacancies of key NHS staff members.

III. PROJECT DEVELOPMENT ASSISTANCE

As the NeighborWorks organizations have grown in experience and sophistication, they have sought to develop strategies for solving difficult neighborhood problems outside of the original focus of owner-occupied housing rehabilitation. Neighborhood Reinvestment provides assistance in the development and implementation of such strategies. Assistance may range from putting an NHS program into contact with another NHS or community-based organization which has dealt successfuly with similar problems, to playing an essential, active role in project development. Examples of such projects include:

- Computer management of neighborhood housing inventories;
- Restoration of historically significant buildings;
- Moving vacant houses onto neighborhood sites;
- Creation of subsidiary development corporations;
- Establishment of limited equity co-ops; and
- Development of strategies for dealing with neighborhood social problems.

Attachment C-1

MULTIFAMILY HOUSING

The goals of multifamily rental housing efforts are to assist in the revitalization of a neighborhood by improving the physical, financial and social conditions of existing multifamily housing for the benefit of the current residents; and to produce new housing affordable to lower income households.

METHODS OF ACHIEVEMENT

Multifamily housing programs are neighborhood based partnerships of neighborhood residents, business leaders, local government officials, tenants, multifamily property owners and lenders. Each partner helps the program in various ways.

Tenants and community representatives identify the need for the housing to be built, rehabilitated, or preserved; develop tenant organizations for ongoing communication with owners and managers; provide input regarding affordable rent levels; and maintain housing standards. Property owners and managers (which may include non-profits) make available financial information pertinent to the building; make needed improvements in accordance with a financial plan which maintains affordable rents; invests capital in the property; and selects competent property managers. Financial institutions may review financial analyses; restructure existing mortgages or provide new financing; use the "good repair" clause or other legal means to encourage the improvement of the property where owners are slow in responding; and assist in finding and/or financing new ownership. Local governments provides building inspection and code enforcement;public improvements and amenities;below market rate financing when available to enable a property to be affordable to those with low incomes;and uses assessment and tax deferral programs.

Improvements in housing have been achieved through one or more of the following remedies:

- Generating a physical rehabilitation program, with a minimum objective of meeting code requirements;
- Restructuring the existing mortgages (amount, rate, term) or obtaining new mortgage commitments;
- Identifying appropriate income and expenses for a property;
- Improving services and financial counseling to tenants;
- Reviewing real estate assessment and tax deferral benefits;
- Directing municipally financed capital improvements into the neighborhood;
- Restructuring property ownership and/or management;
- Improving resident-manager-owner communications; and
- Developing resident leadership.

Attachment C-2

AFFORDABLE HOMEOWNERSHIP PROGRAM

PROGRAM GOALS

Neighborhood Reinvestment's Affordable Homeownership Program assists NHS programs to address specific problem areas beyond the scope of basic NHS services and typical financial resources. Making affordable homeownership available to families is a critical need - and the majority of NHS neighborhoods still have opportunities for families earning $13,000 to $19,000 annually to buy and repair houses. What is needed is usually not another subsidy, but an organization actively working to identify properties and families, to reduce down payments and settlement costs and to assure high quality repairs. The local NHSs are particularly well-suited to do this.

The result of this effort is much more than just improved properties. The families benefit by being assured long term affordable housing and the neighborhoods benefit from the return of a stable housing market which is needed to achieve the confidence and pride essential to neighborhood self reliance.

METHODS OF ACHIEVEMENT

Home Ownership Promotion begins with a marketing program that improves the image of the neighborhood and attracts new owners. These new owners frequently are neighborhood tenants but may be newcomers to the neighborhood. The NHS provides prepurchase counseling, rehab assistance and financing options. Neighborhood residents who identify target properties and potential buyers are key to this program's success.

Sales Facilitation is necessary because low sale prices and depressed markets in NHS neighborhoods make traditional sales of homeowner properties difficult. The NHS takes on the role of facilitator by matching properties on the market with buyers and by packaging innovative purchase and rehab loans.

Tenant Conversion assists existing neighborhood residents to purchase either the home they currently rent or a nearby home in the NHS neighborhood. An NHS staff person, often a tenant advisor, assists families to find homes to purchase within the neighborhood and works with them to obtain financing and address rehabilitation needs. NHS programs know of the large pool of stable renters with excellent rent payment histories who have the ability and desire to become homeowners. With the help of NHS counseling and flexible financing, these renters have been able to become homeowners, most for the first time. Using this approach, undermaintained problem properties owned by absentee landlords can be upgraded.

Rehabilitation and Sale allows a local NHS to purchase blighted vacant houses, rehabilitate them, and then sell the property to a new owner-occupant. This technique is often used with forclosed properties. In many cases the vacant structure with a full "rehab package" is sold to the buyers so that the new homeowners are fully involved in the rehab.

Organizational Structure

The principal participant groups and operational elements involved in an Affordable Homeownership program include the following:

- Neighborhood residents who direct the program and contribute to marketing strategies that describe their neighborhood in a realistic, positive way.

- Lenders who contribute their technical knowledge and who tailor both construction and permanent financing to meet special underwriting needs.

- Local government representatives who provide diagnostic housing and building inspections; convey government-held dwellings to the NHS; forgive back taxes to make acquisition affordable; and provide public improvements. In many instances, local governments also provide financial resources to make properties affordable to low-income occupants, and loan guarantees where needed.

- The NHS staff administers and manages the program.

Once an NHS develops the capacity to carry out one or more of the above mentioned strategies, it yields a product stream year after year of rehabilitated buildings, new homeowners, and abated blight.

We are projecting that we will assist 32 NHSs in FY 1990 and 32 NHS in FY 1991.

Attachment C-3

HOUSING DEVELOPMENT STRATEGIES

Neighborhood Reinvestment's Housing Development strategies program address the shortage of affordable, quality housing available to low and moderate income families in NeighborWorks organizations neighborhoods, as well as the blighting effect of vacant lots and substandard properties. Home ownership opportunities are created through training and technical assistance in the planning and implementation of a variety of housing mechanisms by the NeighborWorks organization. These mechanisms are intended to stabilize real estate market trends, enhance new residential development, and create renewed neighborhood pride.

METHODS OF ACHIEVEMENT

Housing production strategies of Owner-Built Housing, In-fill Housing and Affordable Housing Sub-Divisions have been developed to be adaptable to each individual neighborhood's needs and, are therfore, able to service and strengthen urban or rural neighborhoods; populations comprised of many cultural, physical and economic needs; geographic locations having either new construction or housing rehabilitation opportunities; and in settings having appropriate scales ranging from a half dozen homes to over 100 houses.

Under the model Owner Built Housing Program, each family invests 40 labor hours per week for a period of almost one year. This "sweat equity" investment enables the family to assume a conventionally financed mortgage at a lower rate than would be the case in purchasing a contractor-built house. The program is shaped in each community by the NeighborWorks organization board of directors, to reflect local needs, interest, and resources.

The In-fill Housing Program enables NeighborWorks organizations residents to target vacant lots for new construction and/or buildings for residential rehabilitation on scattered or contiguous sites. Through use of a contractor, or an Owner-Builder approach, and negotiation of an advantageous financial package, the broader fabric of the neighborhood is strengthened by addressing numerous problem properties.

The Affordable Housing Sub-Division program works in conjunction with an equity contractor partner, or a subsidiary dedicated to general contracting. Risk is reduced through the partnership arrangement and savings are realized through economies of scale permitting the NeighborWorks organization to assist many more low and moderate income families into ownership position.

In meeting the challenge of developing affordable home ownership opportunities, the local NeighborWorks organization:

- Identifies sites or buildings in the neighborhood which are affordable and amenable to construction and/or rehabilitation;
- Acquires the property through negotiation with the city or private owner;
- Using their non-profit status, marshalls resources for construction and permanent financing;
- Identifies qualified and committed local families through marketing and provides sensitive financial counseling;

- When acting as the sole developer, provides professional construction management or, in a partnership arrangement, provides the liaison with the development firm;
- Counsels and trains families in home ownership maintenance, finance and responsibilities.

ACCOMPLISHMENTS:

The Owner-Built strategy of families building their own homes has been successfully undertaken in Anchorage, Alaska; Barberton, Ohio; Durham, North Carolina (including the rehabilitation of an historic building); Hartford, Connecticut (used in two developments, one of which included incorporation of a rental unit in an owner-occupied townhouse to defray mortgage expenses); Ithaca, New York; Minneapolis, Minnesota (Northside and Southside); Nashville, Tennessee; Oakland, California; Overland Park, Oregon; Phoenix, Arizona (where homes were moved onto a site and subsequently rehabilitated by the future owners); Pueblo, Colorado (which, in some homes, used indigenous adobe building materials and methods); St. Louis, Missouri; Salt Lake City, Utah; San Bernardino, California; Santa Ana, California; Santa Fe, New Mexico; Seattle, Washington; and Stamford, Connecticut.

In-fill Housing strategies are underway in Baltimore, Maryland; Boise, Idaho; Buffalo, New York; East Providence, Rhode Island; Elmwood, Connecticut; Kenosha, Wisconsin; Miami, Florida; New Britain, Connecticut; Sacramento, California; San Bernadino, California; and Waterbury, Connecticut. Affordable Housing Sub-Division activities are underway in Anchorage, Alaska; Camden, New Jersey; Hudson, New York; Oakland, California; Pontiac, Michigan; Reno Sparks Tribal Colony, Nevada; Richmond, California; Sinte Gleska, South Dakota; and Unalaska, Alaska.

Described below are recent Housing Development Strategies activities:

- The Camden NHS, situated in a neighborhood of massive blight and disinvestment, is beginning a first phase of a multi-phased development entailing both new construction on in-fill lots and gut rehabilitation of existing brick townhouses. The City owns some 700 properties in the neighborhood. The Redevelopment Agency will transfer properties to the NHS, with the NHS incurring only transfer costs. Fifty-four of these properties are presently committed to the NHS under written agreement.

  In the Fall of 1989, the initial 24 unit demonstration project began developing two and three bedroom homes through rehabilitation and four bedroom homes by rehabilitating and connecting two existing townhouses. Targeting City of Camden residents presently doubled-up in units or in a rental position, affordability to families with incomes as low as $16,000.00 annually will be enhanced through a state mortgage program requiring no downpayment and having an interest rate of 8%. Permanent affordability will be facilitated through a program limiting taxes to 2% of the rehabilitation value.

- Using a combination of state, city, federal, and Neighborhood Reinvestment grants, the Neighborhood Conservation Services of Barberton, Ohio, is building 18 single-family houses for sale to families with incomes from $13,000.

> Buyers agreed to put in approximately 380 hours in "sweat equity" in their new homes and those of their neighbors. In addition, five local lenders have agreed to make first mortgages at 1% below market rate.
>
> Built in a primarily black neighborhood comprised of older families with housing values in the mid to upper 20's, these new units are valued at between $39,000 and $42,000. Buyers are able to purchase the new homes with a deposit of $500 and monthly payments of approximately $320.

To facilitate production, the Housing Development Strategies staff conducts three major activities in addition to direct program assistance. The first area is training. In addition to hands-on training at the Training Institutes and in field locations, software to provide management and financial accounting is being field-tested at three sites.

Other NeighborWorks organizations will continue to benefit from these experiences and have greater ease in envisioning larger scale, more innovative solutions to affordable housing in their neighborhood.

Attachment C-4

COMMERCIAL AND ECONOMIC DEVELOPMENT

Neighborhood Reinvestment's Commercial and Economic Development strategies offer a variety of tools designed to stabilize and enhance the economic base of NHS neighborhoods. They complement NHSs' neighborhood revitalization mission by focusing the energies and resources of the partnership on the economic issues underlying neighborhood decline. There is a great deal of demand among NHSs to identify the economic development strategies and resources necessary to deal with such broad-based neighborhood development objectives as the following:

- The enhancement of the neighborhood economic base, reversing the outflow of employment and investment capital from the neighborhood and restoring a state of economic self-reliance;
- The expansion of employment and local entrepreneurial opportunities;
- The improvement of the quality and availability of goods and services and the retention of basic neighborhood social and economic institutions;
- The enhancement of the image and identity of the neighborhood as a community of choice within which to live, work and conduct business activity.

METHODS OF ACHIEVEMENT

The heart of commercial and economic development strategies lies in the traditional NHS partnership, expanded to more fully represent the local business community. Neighborhood Reinvestment guides the NHS through a development process which identifies and blends the objectives of the neighborhood partnership with the market opportunities and resources available to support commercial revitalization and economic development. Steps in the process include the identification and organization of a vested partnership group; the development of consensus about realistic goals and objectives; the analysis of physical, socio-economic and market characteristics; identification of resources to support revitalization; adoption of a formal development strategy; and the solicitation of commitments from all members of the partnership to invest in accordance with the neighborhood development strategy.

Although each NHS Commercial/Economic Development plan is uniquely tailored to the needs and resources of the NHS neighborhood, virtually all include one or more of the following strategies:

- Business development, including the attraction, retention and expansion of business investment which is appropriate to neighborhood needs and which provides employment and entrepreneurial opportunities to neighborhood residents;
- Job training, local entrepreneurial development and targeted financing assistance to facilitate the access of neighborhood residents to the employment and entreprenuerial opportunities offered by the economic revitalization activity;

- Rehabilitation, new construction and/or adaptive reuse of commercial buildings to restore the functional utility and positive image of the neighborhood's economic environment as well as improvements to the public infrastructure which supports them;

- Aggressive marketing, promotional and management activities to organize the neighborhood's institutions as a cohesive economic entity in order to create a positive sense of place and to control conditions (e.g.,crime, graffiti) which may lead to disinvestment by the business community. A clear objective of the strategy adopted is to develop a permanent local capacity to provide ongoing management of the neighborhood commercial and economic base.

Over $121 million of local public and private reinvestment has been leveraged by the 20 mature NHS commercial and economic development programs, while 8 new programs are being developed. Of equal importance, 15 neighborhood commercial districts, employing over 7,200 community residents, have been stabilized and hundreds of new employment and entrepreneurial opportunities have been created.

The Neighborhoood Enterprise Center program is an approach to encourage small business development within economically disadvantaged populations, particularly among minorities and women. Four pilot demonstration programs are currently being developed and three additional pilots will be undertaken in FY 1990.

The focus of this program is on micro-enterprise development, addressing the needs of home-based caterers, part time typists, landscapers, childcare providers, craftspeople, or other self employed entrepreneurs prevalent in disadvantaged neighborhoods, but often neglected by local institutions and overlooked as an integral part of the local economy. The Neighborhood Enterprise Center program includes: development of supportive peer groups, access to small revolving lines of credit through an innovative peer group lending concept, and a practical training and technical assistance delivery system.

Attachment D

SELF RELIANT NEIGHBORHOODS

Achieving self reliance is the ultimate goal of each NHS neighborhood. Through a coordinated reinvestment strategy NHS programs systematically improve housing, upgrade services and amenities, reverse decline, and reduce the risk for lenders, insurers and others conducting business in the neighborhood. Total neighborhood revitalization is accelerated by setting explicit block-by-block goals for improvements in image, market, and physical condition. Success is then measured in terms of meeting the block-by-block goals.

A foremost NHS goal is to develop the capability of neighborhood leaders to manage their own affairs, to solve problems, and to reach goals set for themselves. When a neighborhood has reached this point, it has achieved self reliance, and the NHS program is able to begin focusing its resources on additional neighborhoods. While neither the NHS office nor staff may be present in the neighborhood, various "residual" services are provided on a continuing basis.

To assist an NHS neighborhood in reviewing progress towards self reliance, the following criteria are suggested. A self reliant neighborhood has:

- developed neighborhood leadership;
- developed formal and informal mechanisms to address neighborhood issues;
- involved the neighborhood residents in the formal process of achieving self-reliance;
- completed future plans for continued neighborhood inter action;
- developed a written agreement identifying the continued formal relationship with the NHS;
- explored the need for other supportive resources in the social, educational, and economic areas;
- a positive self-image and residents who feel confident in managing their neighborhood;
- an overall positive physical environment;
- a healthy real estate market;
- substantially completed its goals;
- been designated self reliant by the NHS's board.

The following pages lists the name of each self reliant neighborhood.

SELF RELIANT NEIGHBORHOODS

- Arizona
  - Phoenix (Greater Coronado)
  - Phoenix (Historic Coronado)
  - Tucson (Pueblo Gardens)

- Arkansas
  - Little Rock (Central Little Rock)

- California
  - Emeryville (Emeryville)
  - Inglewood (Lockhaven)
  - La Habra (Guadalupe)
  - La Habra (Highland)
  - Los Angeles (West Crenshaw/ Lower Baldwin Hills)

- Colorado
  - Colorado Springs (Westside)
  - Denver (Highland)
  - Pueblo (Minnequa Heights)
  - Pueblo (Eastside)

- Connecticut
  - Hartford (Blue Hills)
  - New Haven (Upper State Street)
  - Norwalk (West Main)
  - Waterbury (Overlook)

- Florida
  - Gainesville (Stephen Foster)
  - Lakeland (Dixieland)
  - Orlando (Delaney)
  - Tampa (Hyde Park)
  - West Palm Beach (Flamingo Park)
  - West Palm Beach (Sunshine Park)

- Georgia
  - Savannah (Baldwin Park)

- Idaho
  - Boise (Vista)

- Illinois
  - Chicago (Heart of Chicago)
  - Chicago (Near Northwest)
  - Peoria (West Bluff)

- Indiana
  - South Bend (Near Northwest)

- Iowa
  - Des Moines (Highland Park)

- Kentucky
  - Louisville (Shawnee)

- Louisiana
  - New Orleans (Broadmoor)

- Maine
  - South Portland (Ferry Village)

- Maryland
  - Baltimore (Baltimore-Linwood)
  - Baltimore (Patterson Place)
  - Baltimore (Butchers Hill)
  - Baltimore (Mc Elderry Park)
  - Baltimore (Govans)

- Massachusetts
  - Boston (Columbia)
  - Boston (Savin Hill)
  - Chelsea (Addison/Orange)
  - Lawrence (Arlington)
  - Quincy (South West)

- Michigan
  - Detroit (Martin Park)

- Minnesota
  - Minneapolis (Regina)
  - Saint Paul (Indian Mounds Park, East)
  - Saint Paul (Merriam Park)

- Missouri
  - Kansas City (Eastern 49-63)
  - Kansas City(South Hyde Park)
  - Saint Louis (Benton Park)
  - Saint Louis (Soulard)
  - Saint Louis (Penrose-O'Fallon)

- New York
  - Mount Vernon (Lincoln Avenue)
  - New York (Northwest Bronx)
  - New York (Pelham Parkway)
  - Niagara Falls (Pine Avenue Business Association)
  - Rochester (Edgerton/Brown Square)

Yonkers (North Broadway/ Warburton)

North Carolina
- Charlotte (The Plaza)
- Charlotte (Midwood)

Ohio
- Barberton (Van Hyning)
- Cincinnati (Carthage)
- Cincinnati (Madisonville)
- Cleveland (Buckeye)
- Cleveland (Near West Side)
- Columbus (Linden)

Oklahoma
- Tulsa (Reservoir Hill)

Pennsylvania
- Philadelphia (East Frankford)

Rhode Island
- East Providence (Riverside)

Tennessee
- Chattanooga (Glenwood)
- Knoxville (Parkridge)
- Nashville (Belmont)
- Nashville (Hillsboro)
- Nashville (Waverly)

Texas
- Beaumont (West South Park)
- Dallas (North Park/Love Field)

Utah
- Salt Lake City (East Liberty Park)

Vermont
- Randolph (East Valley)

Wisconsin
- Racine (North Side)

Attachment E

NEIGHBORHOOD HOUSING SERVICES OF AMERICA, INC.

Neighborhood Housing Services of America, Inc. (NHSA) was established as a private nonprofit, state chartered, tax exempt corporation in 1974. It gives added private sector strength to the NHS programs, and, through a unique secondary market, gives the NHS programs access to the private investor market as a resource for replenishing their loan funds.

It was anticipated in its formation that this and other activities to meet common needs of the NHS programs would be carried out by NHSA in cooperation with Neighborhood Reinvestment. This approach has been effective and its continuation was authorized in the enabling legislation for Neighborhood Reinvestment:

> "The Corporation (Neighborhood Reinvestment) shall continue the work of the Urban Reinvestment Task Force in supporting Neighborhood Housing Services of America, a nonprofit corporation established to provide services to local neighborhood housing services programs, with support which may include technical assistance and grants to expand its national loan purchase pool, and may contract with it for services which it can perform more efficiently or effectively than the Corporation."

NHSA is a California corporation headquartered in Oakland, California, operating with a staff of 34 persons. The staff was organized to contain all the staff and partnership skills involved in the NHS programs -- financial, community, and governmental processes -- and, on the basis of these skills, is able to make contributions to many aspects of Neighborhood Reinvestment's work related to NHS operations.

NHSA's boards of directors and trustees include volunteers representing the same resident•city•business and financial industry partnership which is the foundation of all the NHS programs.

SECONDARY MARKET OPERATIONS

Because NHS revolving loan funds are designed to meet the needs of low income people, repayment schedules must be extended over several years to meet the borrower's ability to pay. Thus, the funds revolve slowly and there is a need for an infusion of new capital just as savings and loan associations and banks need a secondary market to which they can sell loans to replenish their ability to make new loans.

To provide a mechanism for the continued flow of revolving loan dollars into NHS neighborhoods, NHSA created a loan purchase pool to serve as an interim secondary market for the purchase of loans from local NHS programs. Annual contributions averaging $480,000 per year from the Neighborhood Reinvestment Corporation provided capital to set up the loan purchase pool and funds to operate it. In the meantime, NHSA secured the first buyer to change the character of the loan purchase pool into a true secondary market.

Since the first $1 million social investment agreement with the Equitable Life Assurance Society of the United States, NHSA has exceeded its projected goal of $32 million in social investment commitments for the 1980's. Through December 31, 1989, social investment commitments total $38.5 million. Knowledge of this resource to replenish NHS revolving loan funds has been vital in stimulating and assisting larger scale NHS activity than otherwise would have been feasible. By having meaningful amounts of its own capital, strong NHS partnerships were able to maximize an array of local and federal subsidy programs to carry out diverse housing activities. Examples of the kinds of activities assisted through use of the $38 million in secondary market dollars which the NHSs have expended through December 31, 1989 include the following:

o The conversion of a vacant school into housing for the elderly in Kansas City, Missouri. This project provided 47 units of elderly rental housing at a cost of $2.6 million. An essential ingredient to making the project economically feasible for the Kansas City NHS was the use of approximately $300,000 of the close to $700,000 of NHSA loan purchases for gap financing.

o In Baltimore, Maryland, establishment and operation of the Neighborhood Rental Housing Services whereby more than 60 distressed properties have been acquired, rehabilitated and rented to lower income families. Also in Baltimore, a homeownership promotion program was established whereby more than 600 lower income tenants have been assisted in becoming homeowners. A strong public-private partnership was needed to achieve these successes, including capital grants, private lending, government subsidies, and aggressive use of the NHS secondary market program. The Baltimore NHS used more than $1 million in secondary market proceeds to help meet these and other program needs.

o The promise of being able to help residents, who are unable to meet conventional credit standards, was essential for the Ithaca, New York NHS to undertake a city-wide housing rehabilitation program. In order to assure adequate resources to meet the needs of low income homeowners, the Ithaca NHS has made extensive use of the NHSA secondary market. Over a ten year period, the Ithaca NHS has replenished $1,079,163 in loan funds. This assistance, along with continued support of the City of Ithaca, the State of New York, and the Ithaca business community has resulted in over 600 neighborhood properties being rehabilitated.

o A forward commitment of below market rate financing, provided by NHSA, for first mortgages was an essential ingredient in the Miami, Florida successful new construction project. With support of NHSA's first mortgage forward commitment program, the Miami NHS has undertaken an effort to develop a large tract of vacant land that was a blighting influence on the Little River neighborhood, as well as meet a growing need for affordable housing. The Miami NHS has completed the construction of 25 new single family homes which are owned and occupied by lower income families. NHSA provided over $559,579 in first mortgages, many of which were then combined with Dade County tax stamp secondary financing which makes these homes truly affordable for low income families.

In 1985, the pressures on NHSA to raise the contributed funds needed to leverage the social investment commitments increased beyond reach for cities where private contributions have been difficult to obtain. Congress responded with a $1 million allocation of funds for "have-not" cities to leverage $4 million to $5 million in loan purchases for them. Upon receipt of this new commitment, NHSA encouraged NHS programs to offer additional loans for sale, and subsequently NHSA purchased $5 million in new loans from "have-not" cities.

NHSA's first social investor was the Equitable Life Assurance Society of the United States. In 1978, Equitable signed a loan purchase agreement for $1 million in ten-year notes at a below market rate of 8.5 percent and later agreed to buy an additional $2 million worth of notes. In 1987 Equitable committed to purchase an additional $3.5 million worth of notes.

In 1982, The Prudential Insurance Company of America entered into a note purchase agreement of $5 million in 25 year notes at a below market rate of 9.5 percent for a First Mortgage Loan Purchase Program. The Prudential commitment is earmarked to those "problem properties" that through their blighting influence act as a brake on neighborhood reinvestment activity. Strategies to address these properties include the purchase and rehabilitation of vacant houses, infill construction of new homes on vacant lots, and purchase, rehab and sale, or rental of blighted properties. In addition to the loan sales approved by NHSA, NHSA's loan committee has approved, or is in the process of reviewing requests from NHSs for forward commitments for first mortgages under this program. A forward commitment allows the NHS to obtain necessary construction financing, and assures the NHS board and loan committee of the availability of take out financing for these significant projects. In 1986 the Prudential Insurance Company agreed to a renewal of its earlier First Mortgage Loan Purchase Program, providing an additional $7.5 million in mortgages with $4 million to be focused in Newark, New Jersey.

In 1982, the Wausau Insurance Companies entered into an agreement to purchase $500,000 of NHSA notes. In 1983, Aetna Life & Casualty entered into an agreement to purchase $4 million of NHSA notes. Allstate Insurance Companies entered into agreements to purchase notes of $4 million in 1983. In 1984, Mutual Benefit Life Insurance Company agreed to purchase $1 million in notes. In 1985, the Metropolitan Life Foundation entered into an agreement to purchase $5 million in NHSA notes. The Presbyterian Foundation has entered into a $800,000 agreement to purchase loans from the NHSA secondary market. The entire amount has been utilized.

Experience to date in the purchase of loans for the secondary market has resulted in over 124 NHS revolving loan funds receiving over $38.4 million to replenish their lendable funds. This early experience has also served to develop a workable, dependable mechanism for the NHS secondary market social investments which are needed to assist 143 local partnerships in upgrading previously declining neighborhoods across the nation.

The NHS secondary market is designed to provide substantial assurance to the social investors that NHSA can meet the financial requirements due under any Note Purchase Agreement. The built-in features have worked well in practice since the first note was issued to the Equitable Life Assurance Society of the United States in November 1978.

NHS mortgages and a cash fund or securities are held by a bank trustee for the benefit of the note purchaser to assure timely payment of principal and interest on the NHSA notes. As further security, when any loan being used as collateral for this indebtedness becomes 90 days delinquent, a non-delinquent loan is substituted for it. NHSA replaces the delinquent loan from its portfolio and then, under its agreement with the local NHS, the delinquent loan is returned to the NHS and another non-delinquent loan is forwarded to NHSA.

Servicing of the NHS loans which serve as collateral for the NHSA notes remains with the local NHS. Payments are forwarded to NHSA monthly. NHSA forwards payments to the trustee quarterly. The trustee holds the payments in a "Payment Fund" which is utilized to meet the quarterly payments due on the notes issued by NHSA under the Note Purchase Agreement.

The experience to date has shown no need to use any of the guarantee funds which were set aside to cover delinquencies. This is due to two factors: the NHSs make every effort to offer NHSA loans which they believe will not require substitutions; and where substitutions are needed, there has been full cooperation. The need for substitution has been minimal, averaging about seven loans per quarter and totaling, as of December 31, 1989, only 384 loans over the thirteen years of operations. During this time, over 3,329 loans totaling $38,472,182 have been purchased by NHSA.

One important reason that the secondary market operations are so successful is that the NHS loans are made at the ability of the borrower to repay. The interest rates on the NHS loans range from zero percent to market rate. NHSA purchases the NHS loans at par and seeks a balanced offering of loans with an average rate and term which approximate the average rate and term of the NHS's overall loan portfolio. This has resulted in NHSA loan purchases which average a 6.15 percent interest rate and an eleven year term for home repair loan purposes, and a 9.6 percent interest rate and 19.5 year term for first mortgage loans on problem properties. The loans were made to NHS clients with a median household income of $13,440 per annum.

In October 1984, a pilot $25 million Master Commitment Purchase Contract was signed between the Federal National Mortgage Association and Neighborhood Housing Services of America, representing the Association's first purchase of apartment rehabilitation loans. The agreement was triggered by a $5 million commitment from the Metropolitan Life Foundation to the NHSA secondary market, as well as a $200,000 interest free loan as the first step of a plan to revitalize thousands of lower-income apartment units across the country.

The $5 million Metropolitan Life Foundation Fund broke new ground in the secondary market operations of NHSA. By combining a reduced interest rate note with an early payout schedule, the Metropolitan Life Foundation reduced NHSA's cost of funds, thereby reducing the amount of subsidy required. Further progress in reducing the cost of funds to NHSA was accomplished in the Purdential renewal. The level of cash reserves required to assure Prudential of timely repayment was substantially reduced. These breakthroughs allow NHSA to purchase loans with significantly less working capital than was required in earlier agreements.

PILOT LOCAL GOVERNMENT SECONDARY MARKET

The Allstate Insurance Company is working with Neighborhood Reinvestment and NHSA to develop the financial and legal vehicle for a purchase of $10 million of NHSA notes backed by local government loans as a local government secondary market pilot.

The loans will be purchased from local governments by NHSA with recourse; however, since there are no leverage funds to permit these loans to be purchased at or near par, an interest subsidy fund will be required in order to produce a near market rate yield, as well as to cover administrative costs. Before approaching Allstate, NHSA had investigated the potential for creating a market-rate secondary market through existing mechanisms. Representatives from three separate major investment bankers were interviewed. All indicated that the small sizes of the transactions, which will need to average under $500,000 in order to be responsive to small cities, and the low yields on the loans, along with other special supports the transactions would need, made the proposal unfeasible. In discussing the characteristics that would be necessary for the program to be responsive to the special needs of low-income neighborhoods, Allstate officials made it clear that the yields did not justify the investment of staff time that would be needed. In the normal course of business, they would not pursue this activity but they wanted to be involved given their belief in NHS and the benefits that could be brought to the communities served.

Local governments have allowed a portfolio analysis of their loan funds ahead of any formal commitments to allow the legal details of the pilot to be tailored to their common needs. Dialogue and portfolio analyses were undertaken with four local governments, who are currently considering participating in the $10 million pilot.

Draft legal contracts with Allstate have been completed and are presently being reviewed by local counsel in two cities. These dollar resources, the interest of local government representatives, and project goals which have been identified jointly by the local governments and NHS partners offer the potential for a solid pilot which will be representative of the common needs and opportunities which can be served by the local government secondary market program.

FINANCIAL DEVELOPMENT

During FY 1989, Neighborhood Housing Services of America continued its focus on the top priority concerns of the National NHS Advisory Council representing the individual NHSs. The priority goal of the financial development effort is to expand the base of private sector support of the operating budgets of Neighborhood Housing Services programs throughout the country. A further goal is to develop the resources needed for the NHS secondary market to address the liquidity needs of revolving loan funds, on a last resort basis, for the balance of the 1990's.

HOUSING DEVELOPMENT

In FY 1989, Neighborhood Housing Services of America expanded its role to provide both technical and financial support to NHS programs that were undertaking the acquisition and rehabilitation of vacant properties, or new construction of housing with a primary focus on non profit, or mutual housing ownership, for owner occupancy. During 1989 three additional staff positions were filled to provide technical assistance and NHSA increased its use of secondary market funds from this type of activity, including a purchase of a $350,000 second mortgage to assist the Austin Mutual Housing Association to purchase 122 units, and commitments to the Sacramento Mutual Housing Association, the Chicago NHS, and the Kansas City NHS to purchase first mortgages for $904,791, for 104 units of housing.

LEADERSHIP ENLISTMENT

NHSA's Board of Trustees, is composed of executives of major corporations. The following individuals are members of the Board of Trustees: Mr. Charles E. Lord, Senior Consultant, Dillon, Read and Company, Inc., as Chairman; Mr. Wayne E. Hedien, President, Allstate Insurance Company; Mr. Leland S. Prussia, Chairman, Retired, BankAmerica Corporation; Mr. Raymond K. Elliott, President, Retired, Federal Home Loan Bank of Boston; Mr. James F. Montgomery, Chairman of the Board, Great Western Bank; and Mr. Robert B. O'Brien, Jr., Chairman and CEO, Carteret Savings Bank. The Trustees have obtained major gifts for the secondary market program and have enlisted private sector leadership for local NHS fundraising efforts.

Attachment F

NEIGHBORHOOD PRESERVATION PROJECTS

PROGRAM GOALS

The goal of Neighborhood Preservation Projects is to seek out promising strategies and new tools for reversing factors causing neighborhood decline.

These new tools enable NHSs to deal with such negative factors as the tightening rental market, more distressed neighborhoods, high unemployment, increase in school drop-outs, gang activities and delinquent behavior of youth.

METHODS OF ACHIEVEMENT

The goal of Neighborhood Preservation Projects (NPP) is achieved by a three-part process:

1. Identification and selection of promising projects,
2. Monitoring and evaluation, including the documentation of results, and
3. Packaging of the model for replication.

ACCOMPLISHMENTS

The following programmatic components, replicated by many NHSs, were once successful Neighborhood Preservation Projects. These have included:

Apartment Improvement Program (AIP) - from the City of Yonkers, New York, Apartment Building Rehabilitation Project.

Home Ownership Strategies - from the Jamaica Plain Vacant Housing Renovation Project (Boston, Massachusetts); City of Baltimore 26(h) Project; Baltimore Tenant Conversion Project; NHS Rehab Training Project (Denver, Colorado); Stop Wasting Abandoned Properties Project (Providence, Rhode Island).

Statewide NHS Foundation - from the California NHS Foundation.

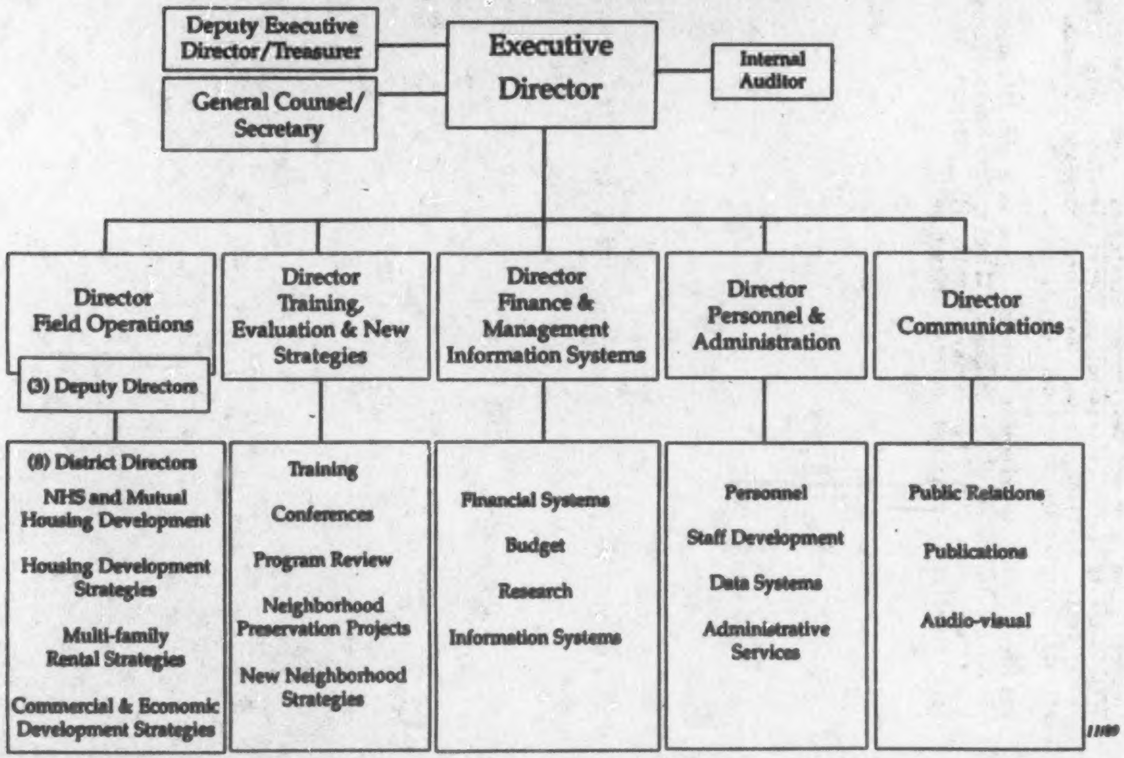
Owner-Built Housing - from the Elmhurst NHS Owner-Built Housing Project (Oakland, California).

Energy Conservation - from the Elmwood NHS (Providence, Rhode Island), Ferry Village NHS (South Portland, Maine), and Salt Lake NHS (Salt Lake City, Utah) Energy Conservation Projects.

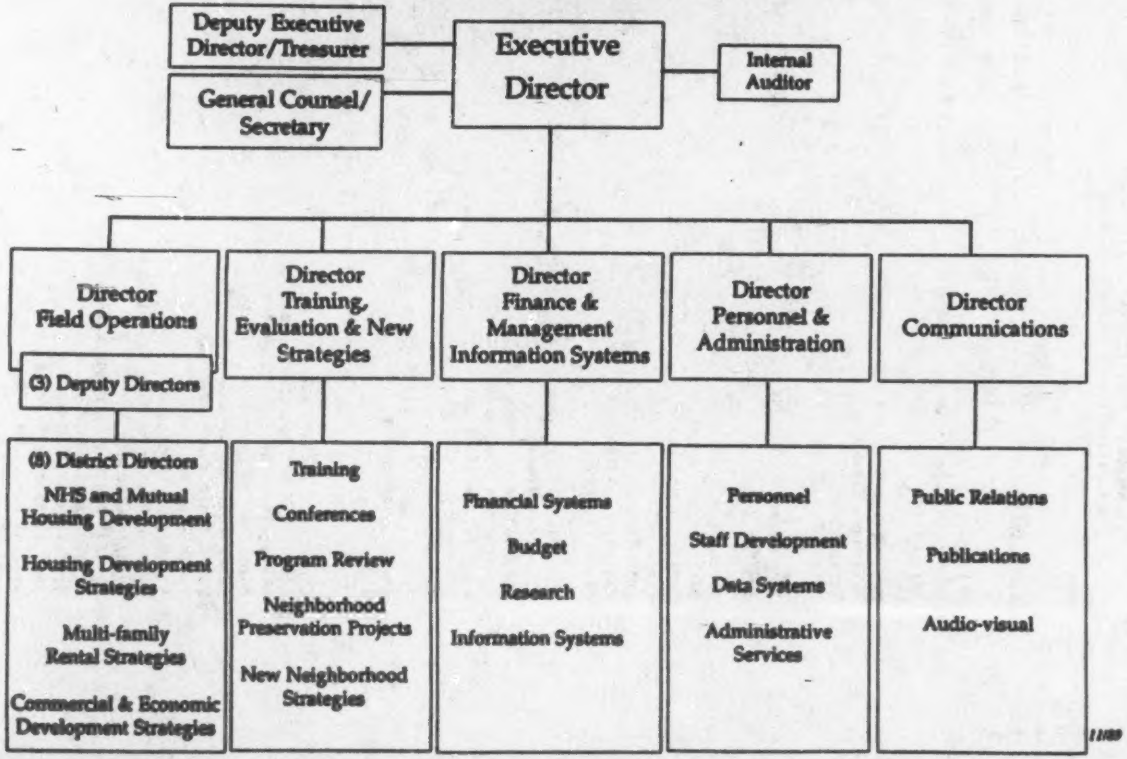
Commercial and Economic Development Strategies - from nine separate projects in the following cities: Toledo, Ohio; Cleveland, Ohio; Philadelphia, Pennsylvania; Portland, Oregon; Baltimore, Maryland; Chicago, Illinois; Atlanta, Georgia; and Bridgeport, Connecticut.

NHS Micro-Computer Management Systems - from an eight site computer project in the following NHSs: Chicago, Illinois; Fort Worth, Texas; Ithaca, New York; Jersey City, New Jersey; Kansas City, Missouri; New York, New York; Phoenix, Arizona; and, Quincy, Massachusetts.

Neighborhood Reinvestment Corporation
Organization Chart


Deputy Executive Director/Treasurer
General Counsel/ Secretary
Executive Director
Internal Auditor
Director Field Operations
(3) Deputy Directors
(8) District Directors
NHS and Mutual Housing Development
Housing Development Strategies
Multi-family Rental Strategies
Commercial & Economic Development Strategies
Director Training, Evaluation & New Strategies
Training
Conferences
Program Review
Neighborhood Preservation Projects
New Neighborhood Strategies
Director Finance & Management Information Systems
Financial Systems
Budget
Research
Information Systems
Director Personnel & Administration
Personnel
Staff Development
Data Systems
Administrative Services
Director Communications
Public Relations
Publications
Audio-visual
11/89

Neighborhood Reinvestment Corporation
Organization Chart



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Director Personnel & Administration
Personnel
Staff Development
Data Systems
Administrative Services
Director Communications
Public Relations
Publications
Audio-visual
11/89

NEIGHBORHOOD REINVESTMENT CORPORATION
CLASSIFICATION/COMPENSATION PLAN
November 6, 1989

Range Number	Class Title	OCTOBER 1987 Salary Range
1		$11,400-$17,200
2	Accounting Specialist I	$12,600-$19,000
	Mail Clerk	
3	Mail/Office Services Clerk	$13,900-$20,900
	Personnel Clerk	
	Receptionist	
	Data Entry Clerk	
4	Accounting Specialist II	$15,000-$22,600
	Secretary	
5	Accounting Specialist III	$16,500-$24,700
	Data Center Specialist	
	Editorial Secretary	
	Field Office Assistant	
	Information Services Specialist I	
	Purchasing Assistant	
	Senior Secretary	
6	Audiovisual Assistant	$18,200-$27,200
	Finance Assistant	
	Information Services Specialist II	
	Information Specialist	
	Legislative Assistant I	
	Office Services Supervisor	
	Personnel Assistant	
	Program Assistant/Field Operations	
	Training Assistant	
7		$19,600-$29,400
8	Administrative Secretary	$21,400-$32,200
	Administrative Secretary/Legal	
	Assistant to District Director	
	Assistant to Executive Director	
	Conference Specialist	
	Field Operations Assistant	
	Payroll Accountant I	
	Production Assistant	
	Program Review Manager Assistant	
	Research Assistant	
	Special Assistant/Communications	
	Special Assistant/HDS	
	Special Assistant/M&RS	
	Special Assistant/NEDCR	
	Special Assistant/NNS	
	Special Assistant/NPP	
	Special Assistant/Program Review	
	Staff Accountant I	
	Staff Development Assistant	

Range Number	Class Title	Salary Range
9	Budget Officer	$23,700-$35,500
	Media Relations Specialist	
	Payroll Accountant II	
	Reporter	
	Staff Accountant II	
	Writer/Editor	
10	Accounts Payable Supervisor	$25,600-$38,400
	Assistant Secretary/Paralegal	
	Benefits Specialist	
	Conference Coordinator	
	Data Center Supervisor	
	Employment Specialist	
	Field Operations Researcher/Writer	
	Field Service Officer I	
	Graphic Designer	
	HDS Construction Specialist	
	Microsystems Specialist	
	Neighborhood Strategies Officer I	
	Program Research Analyst I	
	Program Review Evaluation Analyst	
	Research Analyst	
	Special Assistant/Training	
	Train., Eval. & New Strat. Admin. Officer	
	Training Project Manager I	
11	Administrative Officer	$28,200-$42,200
	Career Development Specialist	
	Field Operations Administrative Officer	
	Field Service Officer II	
	Field Service Officer/Resource Development Coordinator	
	Neighborhood Preservation Project Analyst II	
	Owner Built Housing Design Advisor	
	Program Review Officer I	
	Staff Development Specialist	
	Training Project Manager II	
12	Administrative Asst. to Exec. Director	$30,200-$45,400
	Economic Development Specialist	
	Field Service Officer III	
	Financial Management Training Specialist	
	Information Systems Manager	
	Program Review Officer II	
	Senior Editorial Manager	
	Research Manager	
	Technical Service Officer	
	Training Project Manager III	

Range Number	Class Title	Salary Range
13	Accounting Manager (General Ledger)	$33,400-$50,200
	Accounting Manager (Systems, Budget & Payroll)	
	Assistant Director, Communications	
	Assistant Director, Data Systems	
	Assistant Director, Minority Community Liaison	
	Assistant Director, Information Systems	
	Assistant Director, Staff Development	
	Assistant Director, Train., Plan. & Curriculm Dev.	
	Attorney	
	Personnel Officer	
	Project Manager, Multifamily Housing	
	Senior Field Services Officer	
	Special Projects Officer	
14	Executive Assistant	$35,900-$53,900
	Internal Auditor	
	Neighborhood Revitalization Projects Manager	
	Project Manager, Real Estate Development	
	Senior Assistant to Executive Director & Legislative Director	
15	Communications Director	$39,600-$59,400
	District Director	
	Finance Director	
	Housing Development Strategies Director	
	Multi-Family & Rental Strategies Director	
	Neigh. Commercial & Economic Dev. Director	
	New Neighborhood Strategies Director	
	Personnel Director	
	Regional Program Review Manager	
	Training Director	
16	Associate Director, NPP	$43,500-$65,300
	Associate Director, Program Review	
17	Deputy Director, Field Operations	$47,800-$71,800
	Deputy General Counsel	
18	Director, Field Operations	$52,600-$79,000*
	Director, Finance & Mngmt. Info. Systems	
	Director, Personnel & Administration	
	Director, Training, Evaluation & New Strategies	
19	General Counsel/Secretary	$63,200-$94,700*
20	Deputy Executive Director/Treasurer	$75,900*-$113,900*
21	Executive Director	$91,100*-$136,600*

*By law, the maximum rate of pay may not exceed the highest rate provided for GS-18 of General Schedule. Salaries for level 18-21 are determined by the Corporation's Board of Directors.

NEIGHBORHOOD REINVESTMENT CORPORATION

SUPPLEMENT TO BUDGET JUSTIFICATION
APPROXIMATE COST ALLOCATIONS BY ACTIVITY
ACTUAL FY 1989, ESTIMATED FY 1990, AND PROJECTED FY 1991

The following analysis is designed to supplement the Neighborhood Reinvestment Corporation's FY 1991 Budget Justification and to provide functional data in the areas of emphasis in Senate Report 101-128 regarding utilization of $6 million in funding above the amount originally requested for FY 1990. This $6 million was reduced to $5.836 million after proportional reductions necessitated by Gramm-Rudman-Hollings and Section 517, H. Rpt. 101-297.

FUNCTIONAL AREA	INCREASED FUNDING FOR FY 1990
Furthering secondary mortgage market activities	$1,700,000
Revolving acquisition fund	500,000
Expanding Mutual Housing Associations	2,255,000
Establishing a Hawaii Field Office	196,000
Assisting NeighborWorks Organizations with capacity development	1,185,000
TOTAL INCREASE	$5,836,000

The amounts shown are necessarily estimates, since the Corporation's cost centers do not exactly track the above functional categories; however, we are confident that they are reasonable approximations.

DEFINITIONS FOR ATTACHED CHART

Programmatic: Hands-on staff support directly related to specific local program initiatives. Includes: technical and organizational development assistance, training.

Corporate Administrative: Costs incurred by Neighborhood Reinvestment which include rent, computer equipment, office support staff, telephone/mail system, accounting support.

Grants: Direct financial support to local NeighborWorks organizations.

Furthering Secondary Mortgage Market Activities

Program Highlights

	1989	1990	1991
Grants	$1,830,000	$3,530,000	$2,250,000
Other Programmatic Expenses *	- 0 -	- 0 -	- 0 -
Corporate Administrative Costs *	- 0 -	- 0 -	- 0 -

* Reported under capacity development.

Results:			
NHS loans purchased	5,041	10,000	6,400
Multifamily lending	5,500	20,000	12,700[1]

Fiscal Year 1989

In 1989, with a level of $1,830,000 in Congressional support, the NHSA secondary market was able to provide 3,239 loans for home repair and home purchases totalling approximately 11,336 disadvantaged NHS residents at interest rates that averaged 7 percent.

Fiscal Year 1990

In 1990, as a result of the increased congressional appropriation of $1,700,000 over 1989, NHSA will be:

1) purchasing approximately $10 million dollars in home rehabilitation and home purchase loans from over 60 NHSs.

2) for the first time, NHSA will directly originate or broker loans for $20 million in multifamily housing. This is expected to leverage $100 million in loans and grants from other sources for multifamily housing owned or managed by NeighborWorks organizations.

To facilitate NeighborWorks organization entertaining large-scale housing development initiatives necessitated a team of a trained, professional staff who had extensive experience in the field of housing development. This newly created NHSA housing development team works with local programs to strengthen capacity at a neighborhood level, as well as assisting with necessary financing that will achieve long-term financial soundness for these housing initiatives.

Fiscal Year 1991

Under the Administration's budget request, a reduction of $1,280,000 is proposed for 1991. This amounts to a 36% reduction, and will result in the following consequences:

1) Reduce NHSA's ability to buy NHS owner occupied home-purchase and

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[1] These are more precise estimates than those appearing in table 7, page 32 of the Budget Justification.

rehabilitation loans by $3.6 million, down from $10 million in 1990;

2) Reduce NHSA's ability to directly finance and/or secure primary financing on multi-family loans by $7.3 million, down from $20 million 1990; and

Program Description

Neighborhood Housing Services of America, Inc. (NHSA) was chartered in 1974 as a private, non-profit corporation established to provide services to local neighborhood housing services program. NHSA brings added private sector strength to the efforts of the NHS-NeighborWorks Network and through a unique secondary market, gives the NHS programs access to the private investor market as a resource for replenishing their own revolving loan funds. In addition, NHSA provides resource and leadership development assistance to local organizations and; any other "services it can perform more effectively than the (Neighborhood Reinvestment) Corporation, (P.L. 95-557)."

NHSA is a separate and distinct organization from Neighborhood Reinvestment Corporation. It is administered by a 34 person staff, governed by a Board of Directors composed of individuals representative of the NHS resident, public, private partnership. NHSA's president serves as an advisor to the Neighborhood Reinvestment Corporation officers, and Neighborhood Reinvestment's chief executive serves as an advisor to NHSA's Board of Directors. Funds are derived from private sources, income through investors in the secondary market operations, and direct grant support.

Secondary Market Operations:

NHSA operates 3 types of secondary markets for the NHS-NeighborWorks network. They are:

A. The traditional secondary market for NHSs' non-bankable residents for critically needed home repairs and or home purchase loans.

B. The Congressionally sponsored secondary market initiative to meet the multi-family housing finance needs in NeighborWorks neighborhoods.

C. A secondary market pilot for loans local governments have made for below market loans for home rehabilitation and purchases.

A. The traditional secondary market for NHS home repair and purchase loans.

NHS loans are made to "non-bankable" residents, usually defined as individuals who because of age, credit history or income cannot qualify for a conventional loan. These loans are needed for critical home repairs and/or home purchases and are made with interest rates and terms tailored to the individuals ability to repay. Nationally, NHSs, through 1990, expect to have made over 24,000 such loans totalling over $225 million at interest rates and terms which average 6.5% over 12 years.

Secondary Market Need:
Because NHS revolving loans are tailored to meet the needs of low income residents, they have extended terms. Thus, the funds revolve slowly, creating a need for a source of liquidity to replenish the NHS's ability to make loans

and continue to meet the financing needs of the neighborhoods. NHSA steps in to purchase packages of loans from the local NHSs, hence, providing the necessary infusion of capital. NHSA, in turn, combines these loans into pools, and issues securities backed by the loans. The securities are then sold at below market rates to institutional investors, primarily insurance companies.

Neighborhood Reinvestment Support:
As investors purchase at below market rates, (about 3 points below market) NHSA requires capital to do the following: 1) bridge the gap between the investor rate and that of the NHS borrower; 2) to warehouse the capital needed to purchase a pool loans, and; 3) to provide a guarantee fund to protect the investor from losses. The Neighborhood Reinvestment grant is the primary source of funding for this leverage fund.

Experience to date:
Nationally, NHSA has purchased 3,300 loans for owner-occupied housing and sold notes backed by these loans to institutional investors at below market rates at an amount totalling $38.4 million. No investor has experienced losses to date and response to this financing mechanism continues positive, resulting in institutional investors' having made commitments to purchase an additional $8 million in loans this year.

B. Secondary market for NHS-NeighborWorks multifamily lending.

As of 1988, over 57% of the housing units in NeighborWorks neighborhoods were rental. The network became concerned about the need to protect such multi-family housing for low- and moderate-income residents over a long term period. Congressional sponsorship gave NHSA ability to originate financing and/or broker placement of loans with private investors on multi-family real estate owned by NeighborWorks organizations.

C. Secondary market pilot for local government loans.

The Allstate Insurance Company is working with NHSA to develop the financial and legal vehicle for a purchase of $10 million of NHSA notes backed by local government loans as a pilot project. Loans are to be purchased from local governments by NHSA with recourse. With no leverage funds to permit these loans to be purchased at par, Allstate, as a social investment, is providing an interest subsidy that will produce a near market rate yield and will cover administrative costs. Dialogue and portfolio analyses were undertaken with four local governments and draft legal contracts with Allstate have been completed and are presently being reviewed by local counsel in two cities.

A REVOLVING ACQUISITION FUND

Program Highlights

	FY 1989	FY 1990	FY 1991
Grants	-0-	$500,000	$500,000
Other Programmatic Expense *	-0-	-0-	-0-
Corporate Administrative Costs *	-0-	-0-	-0-
Total	-0-	$500,000	$500,000

* Costs are reported under capacity development.

Results:			
Local Programs Assisted	-0-	15	20
Units Evaluated	-0-	2,000	2,500
Units Acquired	-0-	1,200	1,500
Grant Reimbursements	-0-	-0-	$125,000

Fiscal Year 1989

Because this program did not exist in FY 1989, several opportunities for NeighborWorks organizations to acquire and rehabilitate foreclosed properties were lost because of the lack of "risk capital" for predevelopment costs. Therefore, we developed the concept of a revolving acquisition fund which could advance funds for initial engineering and architectural surveys, options, etc., to be reimbursed out of construction loan or permanent financing. (In those instances where the surveys or other conditions indicate that the acquisition should not be consummated, the reimbursable grant would be forgiven.)

Fiscal Year 1990

The additional funding permitted Neighborhood Reinvestment's Board of Directors to approve a $500,000 revolving acquisition fund in the Corporation's FY 1990 budget. Experience to date in FY 1990 indicates that this is a critically important tool for creating the capacity for neighborhood based organizations to acquire, rehabilitate and operate low- and moderate-income housing, though projections of units evaluated and units acquired are still tentative.

Fiscal Year 1991

The proposed $500,000 FY 1991 funding for the revolving acquisition is projected to be supplemented with $125,000 in reimbursements from the previous year's grants, with additional repayments expected in future years. (This projection, along with projections of units evaluated and units acquired is quite tentative.)

PROGRAM DESCRIPTION: Revolving Acquisition Fund

The revolving acquisition fund was adopted as an eligible grant activity in September 1989 by the Neighborhood Reinvestment Corporation's Board of Directors in response to the increasing numbers of vacant/foreclosed properties held by the Department of Housing and Urban Development; the Resolution Trust Corporation; the Department of Veteran's Affairs; and local financial institutions.

Numerous NeighborWorks organizations had indicated in a 1988 needs assessment that the growing number of vacant/foreclosed properties were negatively impacting accomplishments already achieved as well as jeopardizing the development of future projects. In a meeting held in June 1989, many NHS executive directors indicated that this was the major limitation in expanding the amount of affordable housing in their neighborhoods.

The presence of a significant portion of foreclosed properties in a neighborhood is devastating -- inviting drugs and related crime, arson, and decreased loss of real estate values. If these buildings could be acquired before reaching such a deteriorated state, they could offer safe, affordable housing options for low-and moderate-income households.

In many instances, NeighborWorks organizations have been prevented from acquiring a foreclosed property in the neighborhood due to lack of resources for engineering surveys to confirm feasibility, architectural studies or other "predevelopment" items. In the preliminary stages, the risk in such an undertaking is high and it is difficult for NeighborWorks programs to secure financing.

Throughout fiscal year 1989, local NeighborWorks organizations impacted by vacant/foreclosed properties requested grant assistance from Neighborhood Reinvestment. In November 1989, a local NeighborWorks program requested a $300,000 loan to acquire a 242-unit complex in good condition held by the Federal Asset Disposition Agency (FADA). The loan would have been repayable upon receipt of permanent financing. Due to limited resources, Neighborhood Reinvestment was unable to respond; today, these units are gutted shells.

In FY 1990, $500,000 has been budgeted to establish a revolving acquisition fund. To date, over $2 million in preliminary requests have been received. To qualify for a grant, a local NeighborWorks organization must submit an address-specific proposal. The 2,600 units represented in these requests for funds reflect $76.6 million in lending activity. While not all projects will come to fruition, the response has been overwhelming.

EXPANDING MUTUAL HOUSING ASSOCIATIONS

Program Highlights

	FY 1989	FY 1990	FY 1991
Grants	$ 480,000	$1,973,000	$1,671,000
Other Programmatic Expenses	452,000	902,000	855,000
Corporate Administrative Costs	315,000	627,000	594,000
Total	$1,247,000	$3,502,000	$3,120,000

Fiscal Year 1989

By the close of FY 1989, eight Mutual Housing Associations were operational. They were located in: Baltimore, Maryland; the Lower East Side of New York City; Austin, Texas; Hartford, Norwalk and Stamford, Connecticut; Ithaca, New York; and Sacramento, California. Neighborhood Reinvestment was able to provide administrative support grants to three Associations.

Fiscal Year 1990

Additional resources made available in FY 1990 will allow Neighborhood Reinvestment to provide developmental assistance and assistance in acquiring properties up to eight new Associations. Technical services, property acquisition assistance and staff and board training will also be made available to the eight operational Mutual Housing Associations. To take advantage of the current surplus of foreclosed multifamily housing in Texas, the Texas Mutual Reinvestment Corporation has been organized by the Austin Mutual Housing Association and the Dallas, Houston and San Antonio NHSs to acquire and hold foreclosed properties in Texas for later transfer to Mutual Housing Association ownership.

By the end of the fiscal year, an estimated 1,000 units will be under the management of ten to eleven Mutual Housing Associations.

Fiscal Year 1991

Neighborhood Reinvestment will develop up to eight new Mutual Housing Associations. Overall an estimated 2,000 units will be under the management of 13 to 15 Associations.

PROGRAM DESCRIPTION — Mutual Housing Associations

Neighborhood Reinvestment began adapting the Western European model of mutual housing associations to the United States 10 years ago. A Mutual Housing Association, based on the Neighborhood Reinvestment model, is a new combination of title and tenure which offers low and moderate income association resident members a step up from rental — not individual ownership but a life long residency privilege and a voice in everyday management decisions.

Mutual Housing Associations are distinct in several ways from other American approaches to mutual and cooperative housing. With broad participation from the public and private sectors, Mutual Housing Associations are designed to be

NEIGHBORHOOD REINVESTMENT
APPROXIMATE COST ALLOCATIONS BY ACTIVITY

ACTIVITY	ACTUAL FY 1989	BUDGETED FY 1990	FY89/90 VARIANCE		PROJECTED FY 1991	FY90/91 VARIANCE	
NHA DEVELOPMENT AND SUPPORT:							
Programmatic	$452,304	$902,100	$449,796	99.4%	$854,910	($47,190)	-5.2%
Corporate Adminstrative	314,443	626,883	312,440	99.4%	594,090	(32,793)	-5.2%
Grants	480,000	1,973,000	1,493,000	311.0%	1,671,000	(302,000)	-15.3%
	$1,246,746	$3,501,983	$2,255,238	180.9%	$3,120,000	($381,983)	-10.9%
ACQUISITION FUND:							
Programmatic	$0	$0	$0	NA	$0	$0	NA
Corporate Adminstrative	0	0	0	NA	0	0	NA
Grants	0	500,000	500,000	NA	500,000	0	0.0%
	$0	$500,000	$500,000	NA	$500,000	$0	0.0%
SECONDARY MARKET:							
Programmatic	$0	$0	$0	NA	$0	$0	NA
Corporate Adminstrative	0	0	0	NA	0	0	NA
Grants	1,830,000	3,530,000	1,700,000	92.9%	2,250,000	(1,280,000)	-36.3%
	$1,830,000	$3,530,000	$1,700,000	92.9%	$2,250,000	($1,280,000)	-36.3%
HAWAII EFFORTS:							
Programmatic	$0	$115,664	$115,664	NA	$115,664	$0	0.0%
Corporate Adminstrative	0	80,376	80,376	NA	80,376	0	0.0%
Grants	0	0	0	NA	0	0	NA
	$0	$196,040	$196,040	NA	$196,040	$0	0.0%
CAPACITY BUILDING:							
Programmatic	$357,168	$947,329	$590,162	165.2%	$965,830	$18,501	2.0%
Corporate Adminstrative	248,304	658,314	410,010	165.1%	671,170	12,856	2.0%
Grants	566,000	751,000	185,000	32.7%	725,000	(26,000)	-3.5%
	$1,171,472	$2,356,643	$1,185,171	101.2%	$2,362,000	$5,357	0.2%
ALL OTHER ACTIVITY:							
Programmatic	$8,893,933	$9,369,612	$475,679	5.3%	$9,379,206	$9,594	0.1%
Corporate Adminstrative	6,191,109	6,554,722	363,613	5.9%	6,517,754	(36,968)	-0.6%
Grants	2,282,348	2,577,000	294,652	12.9%	2,185,000	(392,000)	-15.2%
	$17,367,390	$18,501,334	$1,133,944	6.5%	$18,081,960	($419,374)	-2.3%
TOTAL:							
Programmatic	$9,703,406	$11,334,705	$1,631,299	16.8%	$11,315,610	($19,095)	-0.2%
Corporate Adminstrative	6,753,856	7,920,295	1,166,439	17.3%	7,863,390	(56,905)	-0.7%
Grants	5,158,348	9,331,000	4,172,652	80.9%	7,331,000	(2,000,000)	-21.4%
	$21,615,609	$28,586,000	$6,970,391	32.2%	$26,510,000	($2,076,000)	-7.3%

continuous producers of additional affordable housing. By comparison, cooperatives generally lack this long term public purpose.

Upon incorporation, each Association adopts a self-sufficiency plan to define at what point in unit production the Association will be self sustaining and no longer in need of administrative support from outside organizations.

The objective of an Association is to minimize debt service costs and to provide security of tenure and long term affordability for resident members. To achieve this, "front-end" capital grants are used and below-market rate financing is secured when available. Neighborhood Reinvestment and NHSA, within resource limitations, are providing both grants and loans to Associations.

The Association, as a corporate entity, owns its properties, renting units to it members. The members pay a capital fee to qualify for a unit (approximately 5% of the value of the unit) which is returned with nominal interest when they leave. Although members do not participate in capital appreciation, they enjoy a voice in management and the security of long-term tenure.

A Mutual Housing Association has a special form of governance. Its Board of Directors is a public/private/community/resident partnership. Residents of association units and members waiting for units compose a majority of the Board. The other members are representatives of the communities in which the Association operates, local and state governments, housing professionals and business people.

Mutual Housing Associations are currently operational in Baltimore, Maryland; New York City (Lower East Side of Manhattan), New York; Hartford, Connecticut; Norwalk, Connecticut; Stamford, Connecticut; Austin, Texas; Sacramento, California; and Ithaca, New York.

ESTABLISHING A HAWAII FIELD OFFICE

Program Highlights

	FY 1989	FY 1990	FY 1991
Grants	$ -0-	$ -0-	$ -0-
Other Programmatic Expenses	-0-	116,000	116,000
Corporate Administrative Costs	-0-	80,000	80,000
Total	$ -0-	$196,000	$196,000

Fiscal Year 1989

In fiscal year 1989 no funds were available to establish a permanent office in Hawaii. The NHS development in Honolulu was staffed by mainland personnel at a substantial cost to the Corporation.

Fiscal Year 1990

In fiscal year 1990, $196,000 of the increase in funding was used to establish a permanent office in Hawaii. This amount provides funds for two staff members based in Hawaii plus related operating expenses. This staff supports the NHSs in Honolulu and Nanakuli while assessing new developments in other locations.

Fiscal Year 1991

We plan to continue funding the office at approximately the same level in fiscal year 1991.

ASSISTING NEIGHBORWORKS ORGANIZATIONS
WITH
CAPACITY DEVELOPMENT

Program Highlights

	FY 1989	FY 1990	FY 1991
Grants	$ 566,000	$ 751,000	$ 725,000
Other Programmatic Expenses	357,000	947,000	966,000
Corporate Administrative Costs	248,000	658,000	671,000
Total	$1,171,000	$2,356,000	$2,362,000

Fiscal Year 1989

Fiscal year 1989 was the first year in which Neighborhood Reinvestment funded activities in this category. In fiscal year 1989 we assisted 22 organizations with capacity development grants.

Fisca Year 1990

Neighborhood Reinvestment will place an increased emphasis on assisting NeighborWorks organizations to improve their financial management and internal systems in order to prepare them to address the increased demands on their management systems generated by increased real estate development activity.

Fiscal Year 1991

Despite a decrease in funding from fiscal year 1990 to fiscal year 1991, we anticipate maintaining the level of grant assistance to approximately 37 NeighborWorks organizations.

PROGRAM DESCRIPTION

The capacity building activity is designed to provide resources to NeighborWorks programs undertaking projects which require an enhanced level of sophistication in financial management, real estate development, and computerization. The financial management focus in this grant activity has significantly increased over fiscal year 1989 due to the increased need related to furthering the secondary market, the revolving acquisition fund, and expanding mutual housing associations.

A program is currently being developed (for full implementation in FY 1991) to review and strengthen the financial Management of all active programs.

THURSDAY, APRIL 26, 1990.

NATIONAL INSTITUTE OF BUILDING SCIENCES

WITNESSES

WILLIAM KING, CHAIRMAN
BOB GIBSON, VICE CHAIRMAN
DAVID HARRIS, PRESIDENT
JOHN LLOYD, CONTROLLER

Mrs. BOGGS. We are happy to have the National Institute of Building Sciences before us.

This afternoon we hear from the Chairman of the Board of Directors, Mr. William King. Last year Congress directly appropriated $492,000 for the Institute. The Institute was to become self-sustaining after an initial period of federal subsidy.

During the fiscal years 1981 to 1989, NIBS received $500,000 per year in federal support from interest of a trust fund which sunset on September 30, 1989. The statute required NIBS to be self-supporting, deriving revenues from private sources by fiscal year 1990. When this did not occur, NIBS requested a direct appropriations of $500,000.

In the fiscal year 1990 appropriations bill, the conferees agreed that further funding would not be considered unless these funds are authorized in legislation. I understand that Mr. Gonzalez of the Housing Subcommittee plans to offer an amendment to H.R. 1180 to continue support for the Institute.

We would be happy to hear your statement now.

Mr. KING. Thank you.

We have submitted a statement, and I would like to be sure before we start that we are all identified.

On my extreme left is Bob Gibson, Vice Chairman of the Board; David Harris, our President; John Lloyd is Controller; and I am the Chairman of the Board.

Last year we received some very good advice from the chairman. We were thinking of a trust fund at that time, as you may remember; and we were given some sound advice as to how we should change our program.

With your support and that of other members of Congress, we received our funding last year. I think that in that year, we continued to prove our value in serving the public interest.

We are going to spend the balance of our approximately ten minute statement to describing several of our technical projects.

I would like to say that as I look at the future, I think there is even more need for the Institute than there has been in the past. There are several important unfinished issues which seem to be continuing.

A series of these fall into what we would now consider to be indoor air quality issues, and as you all know, probably indoor now seems to be considered as serious if not possibly more serious than outdoor air.

Those issues involve asbestos, radon, and lead-based paint; and the Institute has been very active in all three of these issues and will be involved in the whole indoor air quality.

Each of these illustrate, I think, the difficulty in serving the public interest through strictly a program of mandatory regulations.

It is indicated that the quickest way to improve these situations is to be able through organizations such as the Institute to get the building community to reach a consensus on the proper approach and to combine a large measure of volunteerism with some degree of federal regulation.

We are quite proud of the contributions we have made in those areas and anxious to continue that in the next several years.

So I would like to stop now and ask our President, David Harris, to spend the balance of our time talking about some of our most important projects.

[The statement of Mr. King follows:]

TESTIMONY
OF THE
NATIONAL INSTITUTE OF BUILDING SCIENCES

before the

SUBCOMMITTEE ON VA, HUD - INDEPENDENT AGENCIES
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

MARCH 1, 1990

Mr. Chairman and members of the Subcommittee I am William King, chairman of the board of directors of the National Institute of Building Sciences (NIBS). With me today are David Harris, the president and John Lloyd, the controller.

We have delivered to the Subcommittee our financial statements for the year ended September 30, 1989, our FY-90 budget, and other financial information. We also have provided you with copies of our written testimony which covers in detail the projects and programs we conducted this past year and a Programs and Projects summary describing work recently completed and presently underway.

ABOUT THE INSTITUTE

In 1968 the President's Commission on Urban Problems recommended legislation authorizing the creation of the National Institute of Building Sciences (NIBS). The Commission recommended NIBS resolve national level concerns related to the regulation of building technology.

In Public Law 93-383, Section 809, Congress found that "the lack of an authoritative national source to make findings and to advise both the public and private sectors of the economy with respect to the use of building science and technology in achieving nationally acceptable standards and other technical provisions for use in federal, state and local housing and building regulations is an obstacle to efforts by and imposes severe burdens upon all those who procure, design, construct, use, operate, maintain, and retire physical facilities, and frequently results in the failure to take full advantage of new and useful developments in technology which could improve our living environment... (and) that the existence of a single authoritative nationally recognized institution to provide for the evaluation of new technology could facilitate introduction of such innovations and their acceptance at the federal, state and local levels."

Clearly, the Congress of the United States handed NIBS an ample challenge. When it was incorporated in 1977, the Institute faced the challenge of bringing the many disparate sectors of the building community together to set to the task of rationalizing the building process. Many early participants were not certain what role NIBS would play and some too part to protect their interests. Then and today NIBS consensus process is constantly being tested. These trials have resulted in a stronger organizational structure, and today the Institute has become a more effective public/private partnership to resolve technical and regulatory problems.

The Institute's board of directors is a voluntary body provided for in the authorizing legislation to direct the Institute. For 1990, the board elected William B. King, director of government relations for Armstrong World Industries, to be chairman; Robert C. Gibson, P.E., immediate past president of the National Society of Professional Engineers, and chairman and chief executive officer of Clark, Nexsen, Owen, Barbieri, Gibson, P.C. in Norfolk, Va., to be vice chairman; Carol B. Meeks, Ph.D., associate professor in the College of Home Economics at the University of Georgia, to be secretary; and Robert W. Lisle, chairman of Farnham Corporation in Dallas, Texas, to be treasurer.

CONSULTATIVE COUNCIL

The Institute's principal link with the building community is NIBS' 36-member Consultative Council. The Council members are elected for three-year terms by the NIBS' membership-at-large. The membership of the Council is representative of the various interests of the building community through its 12 membership classifications. It is through the Council that balance and representation is established for NIBS' project committees and the consensus process is administered. The Council functions through a committee structure which includes a Steering, Operations, Planning, Annual Meeting, and Information Committees.

MEMBERSHIP

At the beginning of calendar year 1989, an improved membership categorization system and dues schedules were implemented. Membership in the Institute remains open to all interested parties as provided in the enabling legislation. The dues structure has been simplified to provide only two categories of individual member dues which are better aligned with the enabling legislation, one for those private sector and the other for public sector members. In addition, a sustaining organizational membership category program is included. Membership increased from 530 at the beginning of the calendar year 1989 to 655 as of October 1989.

CONGRESSIONAL FUNDING

A balanced funding program"for the Institute is vital to assure no single group can dominate or hold undue influence over NIBS' work. This balance also assures the maintenance and free exchange of information and views between the private and public sectors. In recent years the Institute has effectively used federal funds to carry out needed programs and projects of benefit to the public. Last year this Subcommittee recommended and the Congress appropriated $492,000 as direct support for NIBS to be provided in FY-1989 on a matching basis against NIBS' private income. The Institute plans to use those funds to defray the costs of the following programs:

- Developing, in conjunction with the Environmental Protection Agency, criteria with which to reduce radon levels in new housing;
- Developing guide specifications for the testing, abatement, clean-up, and disposal of lead-based paint in homes and buildings;
- Developing a long term agenda for continuing the improvement of the building regulatory and technological process;
- Developing a consensus based design guide on air infiltration and moisture transfer control for the General Services Administration;
- Conducting a study to compare the provisions of the Life Safety Code and the three model building codes, to determine the extent of substantive technical differences which may lead to duplication, overlap, and conflict in standards governing health care facilities;
- Adding new provisions on abatement of non-friable asbestos containing building materials to the Institute's Asbestos Abatement Guide Specifications;
- Host a round table to plan and coordinate appropriate national initiatives to insure the nation maintains a leadership role in the international community with respect to building and construction standards, product testing, and certification;
- Adding new features to NIBS' Construction Criteria Base; and
- Supporting the work of the Building Thermal Envelope Coordinating Council and the Wood Protection Council, independent councils operating under the NIBS' auspices.

It is recognized these programs are in several cases multi-year efforts. Additional funds will be needed to complete fixed term projects and to achieve meaningful benefit on ongoing programs. Continued partial support from the Congress to carry out these vital activities will assure needed progress and prove to the private sector that sometimes neglected domestic demands occupy a proper place on the nation's list of priorities.

The Institute and its members appreciate the Subcommittee's action to continue the matching fund program. Actions are underway in both the House and Senate Appropriations Subcommittees to pass authorizations allowing such a program to continue. Favorable actions by the Congress will help to provide a sound and equitable funding base to assure the Institute has the capacity to advise the Congress and federal agencies on critical matters of building science and technology. In order to justify our request, it is incumbent upon us to demonstrate the benefit to the public, of NIBS' programs.

Programs carried out through the Consultative Council during 1989 include:

ASBESTOS ABATEMENT IN BUILDINGS

The federal government has determined that asbestos particles when breathed into the human body over a period of time at certain minimum levels may cause various forms of cancer, it also emphasizes that asbestos-containing materials, in good condition and undisturbed, are not necessarily a health hazard. As a result the need for practical technical guidance on how to properly deal with potential health problems of asbestos-containing building materials has grown dramatically.

With a formidable amount of information concerning asbestos reaching the public, there was a clear need for authoritative useful technical information to help those in the housing and building industry objectively deal with the problem. NIBS' 1986 publication, Asbestos Abatement and Management in Buildings: Model Guide Specifications, is one of the most widely used technical documents on asbestos abatement and maintenance and repair in buildings. In addition to its use by designers, environmental consultants, building owners and others, it is also used as a textbook for training courses, the guide represent years of intensive work by a NIBS' members. More than 3,000 copies of the first edition were sold.

In 1988, the Institute published the second edition of the guide specifications to incorporate provisions resulting from new federal regulations and provisions for new products, equipment and procedures, and refinements in existing practices for asbestos abatement, maintenance and repair. Several thousand copies of this edition were also distributed.

During 1989, the Institute reconvened a project committee to develop new sections on abatement of non-friable asbestos-containing materials and improved guidance on coordinating technical project specifications with other contract requirements.

LEAD-BASED PAINT

Lead-based paint hazards in housing, first discovered nearly a century ago, but virtually unaddressed until recently, is thought to exist in about 42 million, roughly one-half of the nation's homes. Although the U.S. government banned the use of lead in paints used for residential purposes in the 1970s, lead-based paint was almost exclusively used in American homes constructed prior to the early 1970s.

The health science community agrees that lead serves no known useful function in the human body. Those most at risk from the toxic effects of exposure to lead are infants and children under the age of seven, and women of child bearing age. Studies indicate that excessive levels of lead in the bloodstream can hamper a child's mental and physical development, resulting in such side effects as a lower intelligence quotient, slower physical reaction times, and a shortened attention span. In worst case scenarios, convulsions, comas and death have been known to occur. In middle aged males, recent studies have indicated an association between blood-lead levels and increased blood pressure. Between 1976 and 1980, more than 780,000 American preschool children had excessive levels of lead in their blood, according to the American Academy of Pediatrics.

Today, lead-containing paint, water, soil and dust are the major sources of lead contaminants. Typically, in a housing unit, the primary manner in which lead enters the human body is believed to be through dust particles containing lead which fall on window sills and throughout the house. The dust is then picked up on the fingers and ingested, especially by young children--those most at-risk.

Federal attention to this problem goes back to 1971, when Congress passed the Lead-Based Paint Poisoning Prevention Act (LBPPPA), thereby prohibiting the use of lead-based paint (LBP) in residential structures constructed or rehabilitated by the federal government or with federal assistance. Subsequent amendments to the LBPPPA directed the federal government to establish procedures to eliminate LBP poisoning in housing constructed before 1950, covered by mortgage insurance or housing assistance payments.

NIBS' effort began in mid-1987, when it convened a NIBS task force comprised of prominent professionals in this field to define the current issues and recommend appropriate action. The task force, during its August 1987 meeting, outlined a number of recommendations. One was a call for the development of technical guidelines for abating the LBP hazard.

In August of 1988, NIBS under contract to HUD began development of a set of technical guidelines for the testing, abatement, clean-up and disposal of LBP as the end product of an intensive six-month effort. These guidelines were developed by a NIBS project committee using NIBS' consensus process. NIBS' committee was comprised of some of the nation's leading experts on lead-based paint.

The 72-member project committee oversaw the production of a draft technical guide which identifies and prescribes current methods used to 1) test for lead in paint, 2) abate various types of LBP-containing surfaces and surface conditions, 3) protect workers and building residents, 4) clean-up lead-contaminated residue, and 5) properly dispose of resulting waste. In March 1989, the final 238-page document, entitled Lead-Based Paint Testing, Abatement, Cleanup and Disposal Guidelines, was submitted to HUD. HUD has requested the NIBS Guide not be made available to the public.

The document, which is being used by HUD to develop its own lead-based paint guidelines specifically for public and Indian housing, is the first attempt at the national level to present technical guidelines on how to accurately identify and then safely solve the problem. When the HUD developed guidelines are issued in April, 1990, as directed by the Congress, the nation will have for the first time, basic technical guidance for a problem that has been recognized for more then two decades.

When addressing the lead-based paint issue, it is vital to consider obligation to the public. Many public health professionals believe actions to correct the problem have been seriously inadequate. Their concern is that thousands of children continue to be harmed by lead intake even though technical guidance has been available for nearly a year. Equally important, it is widely recognized that abatement action is taking place with increasing frequency. Such projects are believed to be carried out without adequate protection to workers and occupants.

DIRECTORY OF ONLINE DATABASES

In an effort to assist building professionals in their search for the most pertinent and up-to-date information available on current developments in building science and technology, NIBS' Information Committee, during 1989, undertook the development of a directory of online databases of pertinent building community information.

This 100-page *Directory of Online Databases for Building and Construction*, developed with partial funding by the Naval Facilities Engineering Command, identifies more than 200 databases that are available from eight major database vendors. These databases may be searched by practitioners and information specialists in the building fields using a personal computer equipped with a modem and commercial telephone lines.

The databases cover a broad range of domestic and international technical, regulatory, and general information, in areas such as:

- ARCHITECTURE & ENGINEERING
- ENERGY & ENVIRONMENT
- HEALTH & SAFETY
- LAW & LIABILITY
- CODES & STANDARDS
- PRODUCTS & MATERIALS
- GEOLOGY & CLIMATOLOGY
- RESEARCH & TECHNOLOGY
- USER NEEDS
- BUILDING TYPES

Bibliographic databases in each subject area can be used for checking on the availability of published information, identifying authors and institutions that may be contacted for specific information, and keeping up to date on new developments in the building fields.

76 databases contain technical data or summaries of research projects; full text of articles and construction related directories, as well as information on how to obtain access to the databases from the major vendor organizations. Copies of the directory are available from NIBS' publications department.

GSA MODEL CODES STUDY

In recent years the building community has made more consistent use of nationally recognized model codes. In the private sector this has led to a significant reduction in the use of costly, outdated and extraneous locally developed codes and standards, thus resulting in safer buildings.

With enactment of the Public Building Act Amendments of 1988, Congress has determined that consistent use of nationally recognized model building codes and other applicable nationally recognized codes would bring these advantages to federal construction programs. Further, the Act encourages the development and use of cooperative programs by federal agencies with local and state jurisdictions to utilize the capabilities of those jurisdictions for plan review and construction inspection.

The General Services Administration/Public Buildings Service (GSA/PBS) presently uses health and safety criteria developed in-house with varying references to nationally recognized codes which regulate buildings. Designs for GSA/PBS construction projects are checked by the agency's regional staffs and/or outside consultants. Recognizing the need for broad based guidance to determine the most appropriate ways to implement the law, GSA/PBS requested NIBS' recommendations.

In Spring 1989, NIBS convened a 60-member project committee comprised of architects, engineers, building and fire officials, contractors, GSA/PBS officials, code officials, building owners, building product manufacturers, building product testing agents, representatives of other federal agencies, and others. They formed two subcommittees, one on codes comparison and one on code compliance.

Over a six month period this committee:

- Compared nationally recognized codes with existing GSA design and construction criteria and criteria mandated by federal regulations.

- Compared health and safety provisions in current GSA criteria with those found in the model codes and other codes to insure consistent and appropriate levels of health and safety.

- Obtained data on code enforcement methods used by state and local governments.

In fall of 1989, NIBS delivered a report to GSA entitled, "GSA/PBS Codes Study." The report recommends that GSA/PBS:

- Develop code manuals which reference one of the three model building codes and other nationally recognized codes or standards.

- Adopt for each regional office one or more of the model code manuals appropriate to the location of work within each region.

- Regions use, for code compliance, to the greatest extent feasible, local plan checkers and construction inspectors.

- Regions, where use of local agencies is not practicable, should provide in-house reviews and inspections, or use consultants.

RADON

The U.S. Environmental Protection Agency (EPA) estimates that from 5,000 to 20,000 lung cancer deaths per year in the U.S. are caused by exposure to radon, a colorless, odorless, tasteless, radioactive gas that occurs naturally in soil, underground water, and outdoor air.

Radon exists at various levels of strength throughout the U.S. Since the discovery of high levels of radon in a house in Pennsylvania in 1984, tests in other areas of the country have also found elevated radon levels.

In 1989, NIBS was asked to advise the EPA on the development of proposed construction standards and techniques for controlling radon levels in new buildings. Public Law 100-551 requires model standards to be made available by EPA to the public by June 1, 1990.

According to the EPA, soil gas entering homes through exposed soil in crawl spaces, through cracks and openings in slab-on-grade floors and through below grade walls and floors is the primary source of elevated radon levels.

Effective radon control in buildings involves modifications to many current building materials, systems and methods. In addition to the radon related role of these components, they also function to meet a host of other needs such as structural integrity, fire safety and ventilation.

Standards and building codes have been developed and refined over the years to respond to these needs. In addressing the radon problem, it is critical to avoid both negating what has been achieved in meeting other building performance needs, and creating conflicts between new regulations and existing provisions. Thus, it is important to integrate the knowledge of the nation's radon specialists with the nation's experts in other building performance areas.

Under a cost sharing agreement with the EPA, NIBS is rewriting the EPA's draft document: Model Standards and Techniques for Controlling Radon Levels within New Buildings. To achieve the project objectives NIBS formed a project committee comprised of federal, state and local model code and standards writing organizations, product manufacturers, government officials, design professionals, contractors, builders, and others with experience and interest in the subject. NIBS also acquired the services of two radon experts to assist in preparation of document drafts.

The project committee is in the process of:

1) Identifying existing standards which govern building and housing products, materials, components, subsystems, and systems which may be affected by EPA's draft model standards.

2) Identifying potential problems caused by conflicts between existing standards and EPA draft model standards.

3) Confirming the appropriateness of initial standards and adding others as needed.

4) Developing ways to resolve conflicts between existing standards and EPA draft model standards.

5) Identifying conceptual revisions to such standards that will mitigate radon problems.

6) Developing consensus on recommended revisions to the draft of EPA model standards and rewriting the document.

The draft developed by the committee will be accepted by written ballot through NIBS' consensus procedures.

BUILDING TECHNOLOGY RESEARCH AGENDA

The federal government's Centers for Building Technology (CBT) and Fire Research (CFR) conduct non-proprietary research to benefit the housing and building community. In an effort to assure that the federal funds are wisely invested in activities of most use to the building community, NIBS regularly provides a comprehensive technical research agenda for their work pertaining to housing and building.

The recommendations were developed by NIBS by polling the nation's building community and asking what areas of research are the most important in the four specific areas of fire safety research, building materials, building environment and building structures.

Other Institute programs conducted in 1989 included:

CONSTRUCTION CRITERIA BASE

Currently, the federal government's spends nearly $40 billion on design and construction annually. The government's requirements to manage this significant program has been governed through a paper based criteria dissemination program, which has, in recent years, been staggering under its own increasing weight. In addition to the criteria produced by the nearly two dozen federal agencies involved, other criteria are produced by hundreds of trade associations, professional societies, and codes and standard organizations. Many of these documents are required by the federal design and construction process. All in all, there are over 5,000 separate criteria documents.

The inability of agencies to coordinate these materials to provide timely dissemination, avoid duplication and conflict, maintain accuracy and currency, and assure proper cross-referencing has become enormously time consuming and expensive. The ability of designers and contractors to have access to all the current materials required is hampered by the diverse number of publishing organizations and the cost and time required to obtain, and keep the information current. Another major problem has been the inability to research the vast amount of design and construction information with any degree of timeliness and precision. The voluminous amount of non-integrated information used in design and construction contain numerous conflicts, redundancies and alternatives.

NIBS' Construction Criteria Base (CCB) is a new innovation in the development, distribution, and use of design and construction criteria. CCB grew out of research conducted by NIBS in 1986 and supported by the Department of ~~Defense, the~~ Naval Facilities Engineering Command, and the Army Corps of Engineers who requested NIBS' assistance in seeking a solution of their problem.

CCB uses advanced optical disc or CD-ROM (Compact Disc-Read Only Memory) technology to provide immediate, integrated, and comprehensive access to unprecedented quantities of information. Included in CCB are specifications, standards, guidelines, manuals, codes, regulations and other design and construction information from multiple federal sources including NAVFAC, COE, VA, NASA, OSHA, GSA, DOE, and a range of private model building code and standards writing organizations.

This NIBS program provides a unique solution which dramatically improves the accuracy and efficiency associated with the distribution and use of relevant design and construction information while increasing the productive use of the data and minimizing waste, overlap and conflicts during design and construction. NIBS' Construction Criteria Base has grown from a 15,000 page collection of federal guide specifications in 1987 to nearly 250,000 pages of technical criteria today. CCB brings virtually all the technical information needed for most federal construction projects to those who design and construct facilities valued at approximately $40 billion dollars annually. CCB has become a primary medium to aid the transfer of technology.

Through the use of this state-of-the-art technology, CCB has allowed for the true integration of these widely dispersed information data bases through rapid full text search and retrieval and data manipulation. In addition graphics which are contained in the data bases are incorporated in CCB and can be called up to the computer screen for viewing, panning, zooming, and quality printing.

When it was introduced in 1987, CCB was the first operational CD-ROM system in the construction industry. CCB had more than 700 annual subscribers in 1989. The objectives for the program are to provide a central source of criteria needed for design and construction; provide this source of information at the lowest possible costs in order to increase its dissemination to all sectors of the building community; and to provide state-of-the-art enhancements to increase the usefulness and responsiveness of the information during design and construction.

In 1989, NIBS added criteria from a wider number of federal agencies, began the process to add referenced standards from the private sector, model building codes, and improved software features to improve the system's organization and accessibility.

Widely considered a major innovation in the building industry, CCB is revolutionizing the distribution, maintenance, and use of design and construction information and thereby resulting in increased productivity, decreased costs, and a better built environment. This program responds directly to two major parts of the Institute's authorizing legislation: to facilitate the development of new technology and to disseminate technical criteria to the building community.

FOREIGN INFLUENCES IN THE U.S. BUILDING INDUSTRY

The public and private sectors of America's housing and building industry spend approximately one twelfth of one percent of their total revenues on research and development. Japan spends approximately two and a half times this amount. In 1989, foreign investors owned 46 percent of the prime commercial real estate in Los Angeles, Calif., 33 percent in Washington, D.C., and 39 percent in Houston, Texas.

Among the American public, these facts and figures are generally viewed with a sense of alarm. They are seen as signs that America is losing its world leadership role in design and construction, or that some foreign companies will soon overrun our markets with building products and services. But how justified is this sense of alarm? What does the recent awareness of foreign influences really mean? And, more importantly, what should be done by the public and private sectors to meet these challenges? The answers to such questions are vital to our economy.

The domestic construction volume in 1989 was nearly $500 billion, nearly 13% of our Gross Domestic Product (GDP), not counting production and transportation of construction materials and equipment. Construction employs over 5.5 million people, thus it is the largest single industry in the United States.

In 1987, the Institute's Board of Directors found that the issue of foreign influences was of so much concern to the housing and building industry that it created a task force to explore the matter more fully. Through its deliberations in 1988, the task force found early on that this problem was and still is not well understood. Thus, the task force began with a broad approach to the issue. Six areas were singled out for study by separate subcommittees: research and development, foreign investment, innovation and technology, construction and materials, productivity and quality, and foreign entries into the building industry.

In 1989, NIBS published the report, "Foreign Influences in the U.S. Building Industry." The report's background chapter places the foreign influences issue in perspective with historical and economic trends. Its concluding chapter demonstrates that the issue of foreign influences should be viewed in terms of opportunities to the nation's building industry.

The body of the report is a two part fact-finding document. Part I - Technical Issues, includes chapters on: innovation in the design of housing for overseas markets; adopting foreign production and quality control techniques in the manufacture of factory-built housing; how Japanese construction companies will find difficulty competing in America; and, levels of funding, impediments and future directions for research and development in the construction industry. Part II - Economic and Marketing Issues, contains chapters on: attitudes of states toward foreign investments; and, a Canadian view of foreign direct investments in design and construction firms. The report is available as an Institute publication.

LAND-USE GUIDELINES

While the cost of home construction continues to rise, the cost of the land on which most houses stand is rising even faster. Land costs now represent 25 percent of the total price of a typical single family home in the U.S. This compares to 10 percent in the late 1950s. Growing regulation plays a key role in these cost increases. Restrictions often prevent the developer from making the most efficient use of the land and they reduce the amount of land available.

In 1987, NIBS' newly formed Land Use Task Force held hearings throughout the U.S. The hearings were conducted to identify acceptable standards and regulations which may result in reduced costs, and which might be included in guidelines for incorporation into land development codes. The hearings also identified examples of regressive, restrictive and discriminatory practices. These were grouped into the following categories for analysis:

- comprehensive planning and zoning techniques
- subdivision regulations
- residential density
- street and parking
- municipal finance for infrastructure
- development of sensitive sites
- the development approval process
- water and sewer installations

The task force identified a need for improved standardization in land development. Members of the volunteer task force from the fields of planning, architecture, engineering and construction, found that considerable amounts of time and money are being lost in private negotiations, planning commission meetings and zoning hearings because current approaches are often outdated, fragmented, and variable.

Criteria and standards often adopted or continued by communities without consideration of the range of available alternatives and without consideration of the impact of many of the involved costs. The task force heard that city agencies frequently make decisions that simply shift costs to other departments even though it may lead to overall cost increases. They also heard that developers will ask for variances or changes in regulations to accommodate a project but don't use opportunities (such as cluster developments and zero lot lines) offered by regulations in a second or third project. Often variances are given for specific projects but are not incorporated into regulations to benefit future use.

The NIBS study is designed to encourage wider acceptance of cost-effective measures by preparing a handbook on land use guidelines. In 1988, the task force began writing the residential land development guidelines for use by local planning professionals and local citizens involved in the planning and zoning process. In 1989 a draft of a non-technical handbook on residential land development guidelines was prepared for review prior to its publication in 1990.

EVALUATING CRITERIA IN THE U.S. COURTS DESIGN GUIDE

The facilities of the federal court system, including hundreds of courtrooms and auxiliary spaces, are unable to keep up with the growing number of legal cases, increased security needs, or accommodate modern technology such as lighting, acoustics, electrical equipment, and automation that is increasingly becoming a part of our nation's judicial system.

In 1989, NIBS began a two-year project for the Administrative Office of the U.S. Courts (AOUSC) to evaluate and update the federal criteria used to dictate how courts are designed and built in the U.S. The criteria, published in a document called the U.S. Courts Design Guide, is used by the General Services Administration (GSA) in the design and construction of U.S. Court facilities.

Court officials say the results of the NIBS project will affect each of the nation's 630 court facilities as well as those ready for remodeling and ready to be built. In 1990 and 1991, GSA has budgeted for 42 projects costing $1.5 million or more each. These include the rehabilitation of existing court facilities and the construction of at least ten new courthouses.

To plan for this effort, the Institute, under contract with the Administrative Office of the U.S. Courts (AOUSC), developed a work plan describing the tasks, time schedules and budgets for evaluating criteria for courts facilities.

The work plan proposes a seven phase project. Phase I includes assembling consultants, developing scopes of work and negotiating contracts. Phase II includes research of courts criteria literature, interviews with departments in AOUSC, Justice Department agencies, and courts personnel, and visits to existing, new and renovated court buildings. Phase III includes data analysis. In phase IV, criteria will be developed by the consultants, and in phase V criteria will be reviewed and revised for function and cost. In two phases VI and VII, criteria will be written reviewed and accepted by the AOUSC Space and Planning Committee and a NIBS advisory group. The project is expected to take two years to accomplish.

In 1989, NIBS performed Phases I and II of the project under a contract from AOUSC. NIBS' work was supported by an expert principal consultant and specialty consultants for space, furniture and finishes; security equipment; acoustics; mechanical-electrical systems, and automation systems.

Criteria information was developed from studying federal courthouses of different sizes, age, types of tenancy and in more than a dozen geographic locations. In addition, interviews were conducted with numerous court personnel to collect needed data. Data collected in Phase II was used to develop preliminary narrative, and tabulated and graphic information.

COMBUSTION TOXICITY/FIRE HAZARDS

A growing concern of the housing and building community in recent years was the fact that the fire death rate in the U.S. was substantially higher than that of most industrialized nations. Equally upsetting was the fact that toxic smoke was being identified as the principal killer and cause of injury in building fires, particularly residential fires.

Some believed that a major cause of the U.S. experience was the growing use of man-made materials, especially in the contents of buildings. Others claimed that fires could be adequately controlled through the use of detection and preventive devices. There was confusion stemming from conflicting reports, with no agreement on a course of action. It was also clear that there was no single solution. While per capita deaths have been on the decline in America, fire deaths related to inhalation of toxic smoke remained high, at 80 percent of all fatalities.

For several years, NIBS had followed closely the growing public interest in combustion toxicity of building products and furnishings. In pursuit of its Congressionally authorized role of rationalizing the building regulatory process through the development of performance criteria, the Institute held conferences in 1982 and 1984 in which representatives of some 80 organizations participated. All points of view were brought out in the discussions that took place on use of new techniques, changes in fire death rates and other dynamics of the issue. Conferees concluded that smoke toxicity resulting from fires in buildings was a matter of concern; however, they noted that there was insufficient data on which to base any new form of regulation.

In 1986, the Institute convened a meeting of well informed scientists and fire experts from the public and private sectors to examine the "state-of-the-art" technology in fire and life safety practices. The purpose was to provide an overview of the issues' complexities and controversies. Current levels of computerized fire modeling were reviewed and considered to be promising but premature for practical use.

The attendees, recognizing that several states were seeking, or planning to seek, legislative remedies, all with differing requirements, recommended that the Institute undertake the development of a new performance-type test to measure the potential combustion toxic hazard of building products and building contents. The goal was to submit the proposed test method and supporting data to appropriate voluntary consensus standards organization so that all parties could adhere to a nationally recognized uniform standard which responds to today's performance needs.

The Institute's Board of Directors endorsed the recommendation. Funding commitments were secured from the private sector to help defray the costs of this three year project. Public entities at federal, state and local levels joined the private professionals by contributing technical and practical advice.

Altogether some 150 people have participated in the project with some 70 serving on a steering committee. Southwest Research Institute (SWRI) was selected to do the laboratory research experiments which were identified by a working group of seven experts selected from the steering committee. The initial assignment of perfecting the test apparatus and testing some 20 different product configurations was largely completed during 1989.

In addition, during 1989 the Institute completed publication of proceedings from the August 1988 Fire Hazard III Conference, which provided some 140 attendees an opportunity to review and comment on the research experiments that had been conducted at SWRI. These proceedings are available from NIBS' Publications Department.

Through this volunteer effort, the Institute with its unique capacity to bring public and private forces together in common effort is effectively serving the public interest by assisting in the development of a well-balanced and meaningful response to the public concern about this special issue of combustion toxicity.

STATE COUNCILS

While the Consultative Council of NIBS focuses its efforts primarily on issues of national concern, on a number of occasions statewide Councils have been formed to address local issues of importance to the building community in a n individual state. The Institute has served as the umbrella organization for Councils in Ohio, West Virginia, Florida, and California.

For the past six years, a number of industry and government leaders in the state of Ohio have convened on a regular basis to address some very specific statewide concerns. During 1989, concerns addressed by the Ohio Council included the State's plumbing code, a "seal law" requiring buildings to be designed by registered architects and engineers, and home rule.

NIBS 11TH ANNUAL MEETING IN WASHINGTON

NIBS' 11th Annual Meeting and Washington Update was held Nov. 5-8 in Washington, D.C. The meeting focused on some of the most topical issues facing the nation's building community: building seismic safety, housing affordability, the European Community 1992, and building-related environmental issues. Some excerpts follow:

HOUSING AFFORDABILITY: Although many of the presentations addressed related financial issues, recommendations related to improved use of existing (especially inner-city) building stock, technology and regulations included the need for streamlined regulations, more cost effective codes, a more responsive building product approval process and a need to strengthen the nation's infrastructure.

ENVIRONMENTAL ISSUES: The nation's building technology and product approval process can assist in such objectives as increasing energy efficiency, fostering practices which don't contribute negatively toward global warming through reduced dependency on CFCs through increased development, and use of other environmentally sound alternative materials and methods. At current rates of energy consumption, society might be faced with unprecedented needs for new nuclear reactors. $25 to $30 billion a year could be saved by improving the way we light buildings. Cooling system costs could be reduced because such a large percentage of energy is used just to cool the air heated by lights.

Environmental concerns must be carefully analyzed. For example, replacing wood destroyed by termites and other wood destroying organisms costs $1 billion per year. Thus, it is important to determine the proper balance on environmental issues related to pesticides and costs we incur.

Scientific methods available today make it possible to measure potentially hazardous materials in parts per billion and even per trillion. The list of alleged contaminants grows almost daily and more than 10,000 contaminants are now believed to exist indoors. The cost of abating many of these hazardous materials could stifle future progress in other areas and the cost of asbestos abatement, as one example, could amount to hundreds of billions of dollars into the next century. Health standards should be based on documented health effects and exposure data. The building community can then create and follow criteria which responds to governmentally established health standards.

REGULATORY ISSUES: Thirty six states have their own modular housing regulatory programs with little reciprocity among them. This frustrates the abilities of regional and national manufacturers to mass produce low cost homes.

INTERNATIONAL ISSUES: The unification of the European nation's into one trading partner will affect standards, product certification, product testing, and licensing of design and construction entities. The control of testing and certification is an extremely important variable in the ability of U.S. industry to effectively do business in the European Community.

BUILDING SEISMIC SAFETY

As the 1988 Armenian and the 1989 Loma Prieta earthquakes have shown, even a moderately severe earthquake is one of nature's most terrifying and devastating events. Collapsing buildings and falling debris can take tens of thousands of lives and earthquake damage can cripple emergency response and recovery efforts. Many of these immediate cost estimates don't include long term losses to business and individuals. In North America, far less severe earthquakes centered in eastern Canada and southern California resulted in several million dollars of damage to public and private property in 1988.

The United States has not suffered a severe earthquake (8.0 and above) for many decades, but the potential for incredible disruption, damage, and death exists since more than 70 million Americans in 44 states are constantly at risk from moderate to severe earthquakes. Of special concern are the central and eastern parts of the nation for it is here that the largest U.S. earthquakes occurred in the past.

Since the most recent of these severe earthquakes occurred more than 100 years ago, most people assume that they will not occur again. Therefore, little has been done in these areas to design and construct earthquake-resistant buildings and other facilities essential to modern life such as bridges and other transportation system components, oil and gas pipelines, electric power and communication systems, and water and sewer systems.

NIBS' Building Seismic Safety Council (BSSC) is a unique instrument for dealing with the complex regulatory environment and the related technical, social, and economic issues involved in developing and promulgating nationally applicable building earthquake hazard mitigation regulatory provisions that can mitigate the threat to life safety and property from seismic hazard across the United States. BSSC was established in 1979, under the auspices of NIBS, as an independent, voluntary membership body to bring together all of the needed expertise and all the relevant public and private interests to resolve issues related to the seismic safety of buildings and to overcome jurisdictional problems by providing authoritative guidance and assistance backed by broad consensus. BSSC's 54 members represent the full spectrum of building community interests such as planning, design, construction, regulation, and utilization of buildings. To fulfill its purpose, the BSSC:

- Promotes the development of seismic safety provisions suitable for use throughout the United States;
- Recommends and encourages the adoption of appropriate seismic safety provisions in voluntary standards and model codes;

- Assesses progress in the implementation of such provisions by federal, state, and local regulatory and construction agencies;

- Identifies opportunities for improving seismic safety regulations and practices and encourages public and private organizations to effect such improvements;

- Promotes the development of training and educational courses and materials for use by design professionals, builders, building regulatory officials, elected officials, industry representatives, other members of the building community, and the public;

- Advises government bodies on their programs of research, development, and implementation; and

- Periodically reviews and evaluates research findings, practices, and experience and makes recommendations for incorporation into seismic design practices.

The BSSC is committed to continued technical improvement of seismic design provisions, assessment of advances in engineering knowledge and design experience, and evaluation of earthquake impacts. It recognizes that appropriate earthquake hazard reduction measures and initiatives should be adopted by existing organizations and institutions and incorporated, whenever possible, into their legislation, regulations, practices, rules, codes, relief procedures, and loan requirements so that these measures and initiatives become an integral part of established activities, not additional burdens. The BSSC itself assumes no standards-making or -promulgating role; rather, it advocates that code- and standards-formulation organizations consider BSSC recommendations for inclusion into their documents and standards.

During 1989, the BSSC made considerable progress in providing up-to-date resources for use in developing seismic design provisions and in promoting earthquake awareness nationwide. BSSC initiated the second of a series of planned triennial updates of the National Earthquake Hazard Reduction Program (NEHRP) Recommended Provisions for the Development of Seismic Regulations for New Buildings and plans to have the revised document ready for release in late 1991. The NEHRP Recommended Provisions serves as the centerpiece of the Council's program and is intended to continue to serve as a source document for use by all interested members of the building community.

Equally important is the success being achieved in the BSSC's efforts to stimulate widespread use of the Provisions. During 1989, the last two of five important publications to complement the Provisions--the BSSC's Seismic Considerations handbooks--were published. These handbooks are aimed at motivating the decision-makers responsible for elementary and secondary schools, health care facilities, hotels and motels, apartment buildings, and office buildings to consider the seismic hazard and the risk it may pose for their buildings. Also, a significant effort has been made to respond to media requests for information. As a result, articles on the BSSC program have been requested by, prepared for, and appeared in nearly two dozen major publications. Coupled with these publication efforts is a demonstration effort and a series of awareness and assistance activities designed to promote improved seismic safety--especially among building owners and developers, insurers and investors, design professionals, code groups, and the general public.

The BSSC's work in 1989 was made possible with funding from the Federal Emergency Management Agency (FEMA) and thousands of volunteer hours on the part of many of the nation's leading experts on seismic design and construction.

LIFELINES

Lifelines are those systems upon which society relies heavily to provide it with energy, water, sewer, transportation, and communication. The physical facilities and components that comprise these systems are critical to lifeline operation and, therefore, to the safety and security of the nation's citizens and their resources.

In 1987, BSSC transmitted to the Federal Emergency Management Agency a report of actions needed to mitigate the seismic risk to the nation's lifelines. Developed by a group of 65 lifeline experts, this report, entitled Abatement of Seismic Hazards to Lifelines: An Action Plan, recommended 67 high-priority projects estimated to cost approximately $29 million.

In recognition of both the complexity and importance of lifelines and their susceptibility to disruption as a result of earthquakes and other natural hazards, FEMA, as the federal government's disaster preparedness agency and the lead agency in the National Earthquake Hazards Reduction Program, concluded that the lifeline problem could best be approached through a nationally coordinated and structured program aimed at abating the risk to lifelines from earthquakes as well as other natural hazards. At about the same time, the Expert Review Committee that reviewed the NEHRP program stressed the need to implement a beginning program in lifelines and the development of design criteria, codes, and standards of practice for the design, construction and retrofitting of seismically resistent lifelines.

Thus, during 1989 FEMA looked to NIBS to provide it with guidance in formulating such a program as well as in launching the program by identifying activities (from the BSSC Action Plan and elsewhere) that should be initiated in the near term (three to six years).

To accomplish this work, NIBS appointed an ad hoc Panel on Lifelines composed of experts in the technical and operational aspects of lifeline systems as well as in various political, social, economic, and legal aspects of reducing the risk to lifelines and public welfare from natural hazards. The panel functioned under the broad technical auspices of the BSSC Board and was assisted by BSSC staff. In its report, Strategies and Approaches for Implementing a Comprehensive Program to Mitigate the Risk to Lifelines from Earthquakes and Other Natural Hazards, the panel recommended that FEMA:

- Structure a nationally coordinated, comprehensive program for mitigating the risk to lifelines from seismic and other natural hazards that focuses on five areas of activity: awareness and education, vulnerability assessment, design criteria and standards, regulatory policy, and continuing guidance.
- Formalize a set of selection criteria for identifying the specific activities to be undertaken as part of the program.
- Urge other agencies and organizations to fund and otherwise support lifeline activities, including continuing research, that fall within their areas of responsibility or need.
- Establish a continuing guidance activity to ensure that continuing program input is received from all segments of the lifeline community and that all relevant lifeline agencies and organizations are involved in program implementation and information dissemination activities.

The activities recommended by the panel for implementation over the near term focus on:

- Increasing the awareness of lifeline service providers, users, and regulators of the potential effects of earthquakes and other natural hazards and providing these groups with needed educational tools concerning natural hazard mitigation.
- Assessing the vulnerability of the various types of lifelines to the various hazards in various risk areas and ensuring that experience data are appropriately gathered and evaluated.
- Developing criteria and standards for the design of new and the retrofitting of existing lifelines to provide them with the needed resistance to the various natural hazards.
- Stimulating the adoption of up-to-date hazard mitigation criteria and standards by the various regulatory bodies responsible for lifelines.
- Ensuring that new knowledge is periodically evaluated and that program activities are periodically assessed to ensure that no areas of importance are overlooked or new knowledge or experience ignored.

BUILDING THERMAL ENVELOPE COORDINATING COUNCIL (BTECC)

The nation's 70 million residential and four million non-residential structures consume one-third of the total energy used by the United States at a cost well in excess of $100 billion per year. While a considerable amount of research is being conducted to improve the energy efficiency of America's buildings there has been a lack of coordination of the various researching bodies to assure that duplication does not detract from the overall end product.

In 1982, NIBS was called on by members of the nation's housing and building community to assist in the creation of a broadly representative council to coordinate the nation's research and development effort to increase the energy efficient performance of homes, offices, schools and industrial buildings.

Organized under the auspices of NIBS, with the Institute serving as secretariat, the Building Thermal Envelope Coordinating Council (BTECC) exists to stimulate and coordinate non-proprietary research and technical activities. BTECC accomplishes much of its work through its six Research Coordinating Committees (RCCs). Members of BTECC participate in the following RCCs:

- Building thermal envelope materials;
- Fenestration - thermal and daylighting;
- Moisture control in buildings;
- Heat and mass transfer measurement;
- Air infiltration and ventilation; and
- Thermal performance of whole buildings/passive energy systems.

During BTECC's 1989 meetings the RCCs focused on the impact of federal legislation on replacing chlorofluorocarbons (CFCs) as a blowing agent for insulation products, and the role of window energy efficiency rating systems, the effect of aging on insulation R-values, and building thermal envelope performance programs in other countries.

During 1989, BTECC began the planning of two workshops. The first on heat flux measurements and the other on the prevention and repair of condensation damage. The RCC on Thermal Envelope Material is studying the feasibility of a tracking system on current research and publications on building thermal envelopes.

During 1989, NIBS, on behalf of BTECC also signed an agreement with Oak Ridge National Laboratory to explore the feasibility of developing a system to track current research and publications on building thermal envelope systems.

As one of the Institute's Councils, BTECC advances the building sciences mission of NIBS by uniting the building community within the scope of energy conservation.

WOOD PROTECTION COUNCIL

It is estimated that over $750 million is spent each year in replacing wood in building structures that are severely damaged by decay and termite attack. While there were some initiatives during the 1960s to address the problem, during the early 1970s private sector initiatives to protect buildings from damage due to wood destroying organisms slowed significantly.

In 1983, the Wood Protection Council was formed under the auspices of NIBS. The goal of the Council is to promote the development and use of safe and effective control technologies for the protection of new and existing buildings from damage by decay and wood destroying organisms.

WPC's Codes and Standards Committee is revising and expanding the Guidelines for Protection of Wood Against Decay and Termite Attack. In addition, the Council is developing guide specifications for procurement of treated wood and for soil treatment. The activities of the WPC have been specifically targeted to:

- o Promote the development and use of sound technical and economic guidelines for active and passive methods for protecting structures including new and existing buildings, and other structures, through the use of current technologies;
- o Improve the education of responsible public officials, building community members, and the public;
- o Improve the dissemination of relevant technical information;
- o Promote effective and current codes, standards, federal specifications and standards, and other technical criteria; and
- o Promote the research and assessment of new types of construction, new control methods, health effects of pesticides, and deactivation procedures for pesticide residues.

During 1989, NIBS published and marketed proceedings from a well-attended 1988 WPC workshop entitled "A New Look at Wood Protection." In addition to the many technical presentations, this workshop looked at the impact of recent pesticide regulations which have essentially removed the most effective termiticides from the marketplace. The proceedings of the workshop are available from NIBS' publications department.

SUMMARY

Mr. Chairman, on behalf of the members, the staff, and the board of directors of the National Institute of Building Sciences, I thank you and members of the Subcommittee for the privilege of testifying before you. The Institute has become an integral and important element of the building community and we hope this Subcommittee will look with favor on maintaining the excellent partnership with the private sector by continuing the matching fund concept. The Institute's programs are vital to improve and preserve the nation's built environment. NIBS, in the spirit of the public private partnership established by the Congress in 1984, is working effectively in the public interest to achieve those goals.

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CONSTRUCTION
CRITERIA
BASE
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National Institute of Building Sciences
Washington, DC

CONSTRUCTION CRITERIA BASE

The National Institute of Building Sciences
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Washington, D.C. 20005
(202) 289-7800

THE PROBLEMS

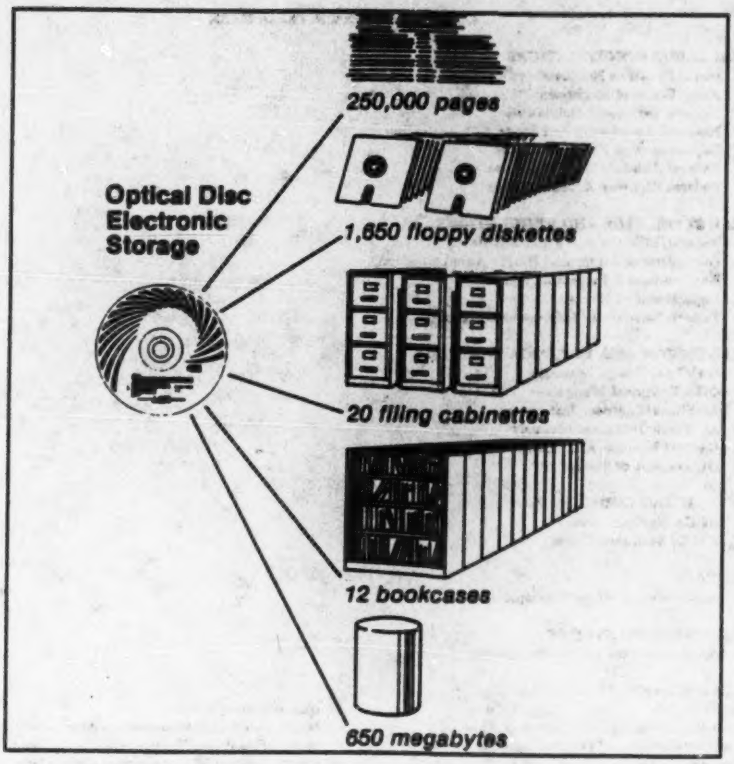
- LARGE AMOUNTS OF PAPER
- INEFFECTIVE DISTRIBUTION
- NUMEROUS SOURCES OF INFORMATION
- COSTLY
- LACK OF CURRENT DATA
- DUPLICATIVE
- INEFFICIENT PROCESSING OF INFORMATION

THE SOLUTION: COMPACT DISC TECHNOLOGY

- STORES 250,000 PAGES (1650 DISKETTES) OF INFORMATION
- ONE CENTRALIZED SOURCE OF DISTRIBUTION
- MINIMAL STORAGE REQUIREMENTS
- LOW COSTS
- CURRENT DATA
- MINIMAL HARDWARE/EXPERTISE REQUIREMENTS
- FULL TEXT SEARCH/GRAPHICS/PRINTING CAPABILITIES

CCB PROGRAM OBJECTIVES

- To provide a central source of governmental or governmental referenced and related design and construction criteria needed in building and related infrastructure planning, design, construction, operation, maintenance, and retirement.
- To provide this source of information at the lowest possible cost in order to increase its dissemination to all sectors of the building community.
- To provide state-of-the-art enhancements to increase the usefulness and responsiveness of the information during the design and construction of the built environment.


Optical Disc
Electronic
Storage
250,000 pages
1,650 floppy diskettes
20 filing cabinettes
12 bookcases
650 megabytes

EQUALS =

- 250,000 PAGES OF PAPER
- 1,650 FLOPPY DISKETTES (36 BOXES)
- 650 MEGABYTES OF ELECTRONIC DATA
- 20 FILING CABINETS FULL OF INFORMATION
- 12 BOOKCASES FULL OF DOCUMENTS
- 100 DIFFERENT ORGANIZATION'S INFORMATION
- $ 12,000 WORTH OF INFORMATION
- 35 PERCENT INCREASE IN PRODUCTIVITY (User Survey)

CONSTRUCTION CRITERIA BASE

FEDERAL GUIDE SPECIFICATIONS

Naval Facilities Engineering Command
Army Corps of Engineers
General Services Administration
National Aeronautic and Space Administration
Department of Veterans Affairs
Federal Aviation Administration
Federal Highway Administration

FEDERAL STANDARDS AND REGULATIONS

Federal/Military Specs and Standards
Occupational Safety and Health Administration
Environmental Protection Agency
Department of Energy
Federal Emergency Management Agency

FEDERAL DESIGN AND TECHNICAL MANUALS

NAVFAC Design Manuals
COE Technical Manuals
Architect/Engineer Instructions
Air Force Technical Manuals
General Services Administration
Department of Energy

MODEL BUILDING CODES

BOCA National Codes
SBCCI Standard Codes

SPECSINTACT

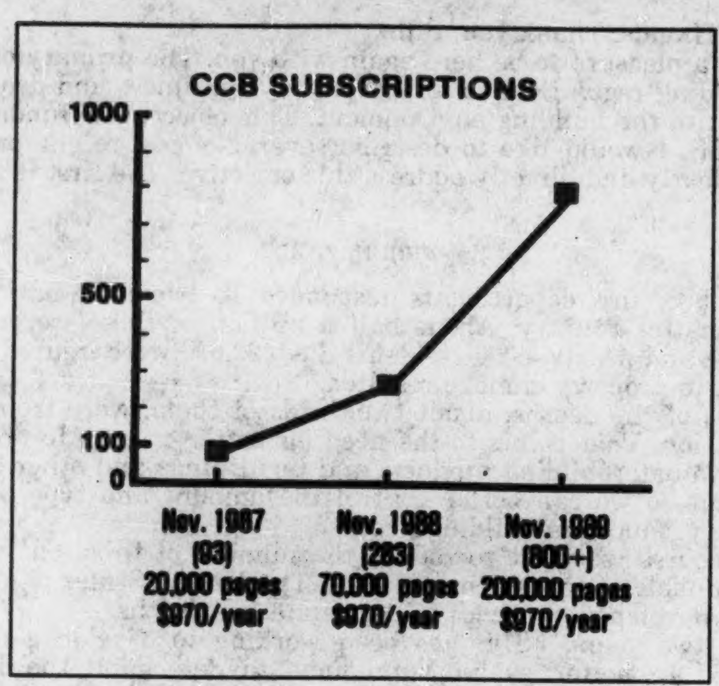
Automated specifications processor

COST ENGINEERING SYSTEM

Automated cost estimating system

PRIVATE REFERENCED STANDARDS

ASTM
Air Conditioning Contractors of America
Air Movement and Control Association
American Association of Textile Chemists
American Concrete Pipe Association
American Gas Association
American Institute of Steel Construction
American Institute of Timber Construction
American Plywood Association
American Sod Producers Association
American Welding Society
American Wood Preservers Association
American Wood Preservers Bureau
Architectural Woodwork Institute
Asphalt Institute
Asphalt Roofing Manufacturers Association
Associated Air Balance Council
Association of Home Appliance Manufacturers
Cast Iron Soil Pipe Institute
Ceilings and Interior Systems Construction Association
The Chlorine Institute
Compressed Gas Association
Concrete Plant Manufacturers Bureau
Concrete Reinforcing Steel Institute
Copper Development Association
Diesel Engine Manufacturers Association
Door and Hardware Institute
Factory Mutual
Gypsum Association
Hardwood Plywood Manufacturers Association
Hydronics Institute
Industrial Gas Cleaning Institute
Instrument Society of America
Insulated Steel Door Systems Institute
International Institute of Ammonia Refrigeration
International Municipal Signal Association
Iron and Steel Society
Maple Flooring Manufacturers Association
Mechanical Power Transmission Association
Metal Building Manufacturers Association
National Association of Corrosion Engineers
National Board of Boiler and Pressure Vessel Inspectors
National Council on Radiation Protection/Measurements
National Environmental Balancing Bureau
National Fluid Power Association
National Forest Products Association
National Hardwood Lumber Association
National Kitchen Cabinet Association
National Oak Flooring Manufacturers Association
National Ready Mixed Concrete Association
National Wood Window and Door Association
Northeastern Lumber Manufacturers Association
Porcelain Enamel Institute
Portland Cement Association
Public Utilities Commission of California
Redwood Inspection Service
Rubber Manufacturers Association
Safety Glazing Certification Council
Society of the Plastics Industry
Solar Rating and Certification Corporation
Southern Pine Inspection Bureau
Southern Cypress Manufacturers Association
Steel Door Institute
Steel Tank Institute
Tile Council of America
Truck Mixer Manufacturers Bureau
Truss Plate Institute
Uni-Bell Plastic Pipe Association
Water Pollution Control Federation
West Coast Lumber Inspection Bureau
Wood Moulding and Millwork Producers Association
Western Wood Products Association



THE SAVINGS

- **CONVENTIONAL UNIT COSTS PER PAGE (Dollars)**

Paper Copy Production Costs	.0281 per page
Paper Copy Distribution Costs	.0135 per page
Paper Copy Storage Costs	.0239 per page
Total Production/Distribution/Storage	.0655 per page

- **TOTAL CONVENTIONAL COSTS**

Paper Production/Distribution/Storage (130,000 pages x .0655 per page)	$ 8,515
NonGovernment Standards Costs	$ 1,600
Total Conventional (Paper) Costs	$10,115

- **CCB COSTS**

Federal CCB Subscription Price	- $ 550

- **SAVINGS**

Savings for Federal Agency per Disc	$ 9,565

Mr. HARRIS. Thank you, Bill.

It is a pleasure to be here again with you. The primary objective of building regulations is to prevent injury, illness and death with respect to the building environment. This objective is fundamental to NIBS. I would like to describe several of our recent programs that clearly and directly address this objective. The first is fire toxicity.

FIRE HAZARDS

In 1988, fire departments responded to two-and-a-half million fires in this country. About half a million of those were in residences, and nearly 5,000 residents died, 22,600 were injured, and $4 billion in property damage resulted.

Most of the deaths, about two-thirds of them, were from smoke inhalation. That points to the need for better criteria to prequalify and evaluate building products and furnishings and other building contents so we can better control the amount and type of smoke that is produced in building fires.

Of course we want to reduce the number of fires, but we have been unable to totally control that. The United States is ninth out of ten developed countries in per capita fire deaths.

For two years, NIBS has been working to develop a new test method to better evaluate products to determine the kinds of smoke produced when they burn, how rapidly they burn and the smoke's potency. Ease of ignition, rate of burning and toxicity of smoke are three factors measured.

Four hundred thousand dollars has been collected to develop this method. This amount underscores the cost of developing performance criteria. Such programs are not inexpensive. A lot of research and data has to be developed or collected and analyzed in order to make sure that what we produce meets the needs of the public in a fair way.

We have nearly completed that process. Because it is so important and so complex, we will be turning the resulting test method over to private standards writing organizations to process the protocol through the rigorous voluntary standards process to make sure it is safe and appropriate for the public and adequate for use in building regulations.

LEAD-BASED PAINT AND OTHER ENVIRONMENTAL ISSUES

The second issue is lead-based paint. A couple of years ago, Congress passed a number of initiatives related to this concern. Although we have known quite a lot about lead-based paint hazards for two decades, we still don't have clear criteria that the construction community can use to test for and mitigate this problem in residences.

Last month's report released by the Environmental Defense Fund identifies the severity based on its assessment of a number of reports produced and released.

The Environmental Defense Fund report estimates that one in six pre-school children have dangerously elevated blood lead levels. This is a problem that the environmental and health scientists believe contributes not only to reduced learning capabilities in children, but ripples throughout our society by causing or contributing to problems of reduced learning, inability to continue in school, limiting those that might otherwise go on to college and higher education and is related directly to issues such as drug dependency and other societal problems that may have stemmed to some extent from this very serious problem.

In March of 1989, NIBS turned over to HUD a technical guide on testing, abatement and cleanup of lead in housing. Just about a week and a half ago, HUD released its guidelines in the Federal Register.

NIBS' report was 238 pages. The HUD report is about 650 pages. Thus, it is clear that a lot of information has been added. Clearly, it is appropriate to publish accurate information and it is important that this issue be handled properly from a technical standpoint.

Just as we found out with the "purple book" that was the federal primer in asbestos that EPA released in 1985; that document didn't meet all the needs for technical criteria for asbestos.

For that reason, NIBS Board has approved development of a guide specification on testing and abatement of lead-based paint (LBP) similar in purpose to the NIBS guide specification on asbestos with which we have helped to bring some order out of what has been fairly serious chaos based on press accounts about that environmental problem.

Also, there is a need for lead-based paint abatement training. HUD and EPA have worked closely to develop a basic LBP training program. We think the Institute can contribute significantly to this need. NIBS's Asbestos Guide Specifications have been used in training programs for asbestos abatement designers, and there is a similar need for such a program for lead.

There are a lot of parallels, but LBP is not an exact parallel to asbestos. In the environmental area we are working work with EPA to develop an operations and maintenance procedures manual for workers in buildings to make sure they have good controls and criteria that will eliminate much of the need to tear asbestos out of buildings at great cost when it can be managed and controlled safely through effective operations and maintenance programs.

We have been working with EPA to develop radon guidelines that can address that environmental concern that has become increasingly emotional. In time, this will result in controls that regulators can enforce and that the building community can comply with fairly and safely.

These are examples of the multitude of several thousand indoor air environmental problems. Before NIBS or any organization can solve problems relating to how buildings are constructed, it is necessary to have health standards.

We have been plagued by that need in all three environmental areas addressed here. NIBS has frequently been asked to set health standards. We don't believe that is the role the Congress had in mind because they didn't direct that doctors and environmental specialists be included on the NIBS Board. But such standards are vital so we can develop adequate building criteria.

EARTHQUAKE CRITERIA

A third area is earthquakes. In the early 1800s, the strongest earthquakes known to occur in this country hit the New Madrid area of Missouri and Tennessee. They registered 8.6 on the Richter scale, and were so strong that they cracked sidewalks in Washington, D.C.

Mrs. BOGGS. And made the Mississippi River flow upstream.

Mr. HARRIS. If an earthquake of that strength were to occur today in the same location, it would probably cause 5,000 deaths and $50 billion in property damage. About a thousand school children would die in Memphis alone if it occurred during the day when they were in school.

Today, 70 million people are constantly at risk in 44 states from damage and death from moderate and severe earthquakes. Areas of most concern are those east of the Rockies because of differing geological conditions, and because we have not strengthened the buildings through improved seismic design. Thus, if a serious earthquake occurs, more damage will result than in areas like San Francisco.

When you compare engineered buildings designed to resist seismic forces, to nonengineered buildings, it clearly demonstrates the effectiveness of mitigation procedures developed by NIBS' Building Seismic Safety Council.

The Building Seismic Safety Council has been working for about eight years to develop seismic design provisions for buildings. Those provisions are now being incorporated into the model building codes that are used east of the Rockies, and we have been trying to educate building owners, insurance companies and other sectors of the building community about the importance of using such criteria.

I was gratified to see in the paper the other day that leaders in the insurance industry are trying to promote a federal earthquake program. Many probably don't realize that one already exists under FEMA.

One concern is that the program they are proposing does not include a mitigation element. That is vital. Earthquakes are going to be a part of our future forever. If we don't start engineering the designs of buildings, which can be done at quite a reasonable cost, we will be living unsuccessfully with this serious problem forever. The work that the Building Seismic Safety Council is doing with the insurance companies and code agencies is really starting to bear fruit.

Mr. GREEN. Very low cost, is that true for new construction and retrofit?

Mr. HARRIS. Retrofit is considerably more expensive, but it can be done and has been done in California.

I believe FEMA is working on a program to develop criteria for retrofit. It is not a simple or low-cost answer, but when you look at the $7 billion in direct damage in California from a relatively moderate earthquake, by comparison, 8.6 would be 100 times as powerful. I am not sure we can afford not to develop cost-effective retrofit criteria.

In any event, we have to do it sensibly. Developing seismic criteria is only part of the need.

INFORMATION DISSEMINATION

The next step is getting it out where it can be used. This is a responsibility that was included in NIBS' legislation—to collect, translate and disseminate such building criteria.

Several years ago, we started on a program in response to a request to solve Navy and Army problems resulting from the huge amounts of criteria they use, hundreds of thousands of pages, plagued by ineffective distribution. They were virtually being strangled by an inefficient paper process.

The fact that they had numerous sources of information made their process even more costly. They lacked current data, and were mired in duplication. One agency was creating criteria that another was duplicating. It created problems with architects and engineers having to deal with both.

They brought this problem to us, and we found a solution in compact disk technology.

In order to properly respond to the nation's needs for criteria, we have developed several program objectives which I would like to read you.

The CCB program objectives are to: One, provide a central source of governmental or governmentally referenced and related design and construction criteria need in building and related infrastructure planning, design, construction, operation, maintenance, and retirement.

Two, to provide this source of information at the lowest possible cost in order to increase its dissemination to all sectors of the building community.

Three, to provide state-of-the-art enhancements to increase the usefulness and responsiveness of the information during the design and construction of the built environment.

We have stored on this disk, which is quite stable as opposed to some magnetic media, the equivalent of 250,000 pages of information.

That is 20 filing cabinets full of information or 12 bookcases. The information was developed by more than one hundred organizations.

Purchased separately in paper form it would cost about $12,000. This disk sells for about 8 percent of that cost. It provides a 35 percent increase in productivity by architects and engineers based on our recent subscribers' survey.

In conventional collection, storage and dissemination costs this amounts to about $10,000 saved for each of the individual users in the many organizations within the Navy and the Army that has to have this information.

Because of the efficiencies we've built into the system, we distribute this to the Army and the Navy for $550 per copy. Each user realizes a savings of $9500. In short, we are pretty pleased with this success. It couldn't have been done without all the support we have received from the federal agencies that are involved, and that list is growing. Nor could it have been done without the funding received from the Army and the Navy, and NIBS is committed to increasing its effectiveness.

But with this success comes the concern that other organizations involved in related activities will try to turn this into a commercial activity. We have already received some concerns about that. In fact, you may have, as well. We feel an obligation to make this information available to the private and public sectors at the lowest possible costs.

We have all heard of the fragmentation of the building community. Part of that fragmentation results from the difficulty small firms experience in getting the technical information they need to do their jobs. They can't afford the $12,000 system. One of the valuable services NIBS has done is to provide this service. NIBS invested a quarter of a million dollars into this program before we received the first subscription. Although we haven't gotten it all back yet, our primary objective is to make sure we serve the building community rather than simply creating a new method for raising capital.

Mr. KING. We would be happy to try and answer your questions.

Mrs. BOGGS. In the interest of time, we do have several technical questions that we would be asking you to respond to in the record, if you will, please.

Mr. KING. All right.

Mrs. BOGGS. For fiscal year 1991, you are again requesting appropriation of $500,000 for NIBS. When do you expect funds to be authorized for NIBS?

Mr. HARRIS. It is our understanding that the bill is in mark up as we speak. We understand Mr. Gonzalez has offered such an amendment to H.R. 1180, and we hope that it will be included when the bill comes out of committee.

Mrs. BOGGS. There has been a lot of discussion recently about the fire-retardant plywood that has been found to decompose after a few years. In the last decade, this plywood has become a standard building material in town house developments.

These problems were first discovered several years ago. Has NIBS looked into this problem?

Mr. HARRIS. Not directly. However, we have been involved in discussions with the National Association of Home Builders and the National Forest Products Association to monitor their activities to find solutions to this acknowledged problem.

One of our Board members is responsible for housing and community development in State of New Jersey. He has acquainted us with the enormity of this problem in that state alone.

Mrs. BOGGS. In last year's hearing, Page 624, you stated that you would be quite successful in obtaining funds through contracts with Federal agencies. For fiscal year 1989, you projected your contract income at $1,667,455. It was actually $1,573,591. For fiscal year 1990, you estimate that contract income will be even less at $1,509,095.

Why is your contract income decreasing? Aren't the Institute's activities increasing?

Mr. HARRIS. They are. Part of the difficulty in Federal contracting is the restricted budgets of a number of the agencies with which we work.

We also have had difficulties, as we indicated in our discussion last year, in dealing with the desire of Federal program officers that we work with in obtaining approval by the contract authorities to issue direct contracts with NIBS on a sole source basis.

We don't want to be in the position of competing with other private sector organizations that we work with on a daily basis. We want to make it clear that we only want to have sole source contracts with agencies on projects that are within our scope of activities as outlined in NIBS' authorizing legislation.

The increasing difficulty of program officers to convince contract officers within agencies that they can contract with us on a sole source basis has been a growing and remaining problem.

In fact, at the time we have about $450,000 worth of contracts for which the funds are available, yet the agencies have been unable to get direct contracts to the Institute.

Mrs. BOGGS. Thank you.

As I said, there are several other questions, fairly technical in nature, that we will submit to you to answer for the record.

Mr. Atkins, do you have any questions?

Mr. ATKINS. No thank you.

Mrs. BOGGS. We thank you very much, and we thank you for your remarkable work.

I wonder if you have looked into the difficulties with elevators and with the growing, apparently, death rate and serious injury rate of young people in housing projects and young people in colleges and people in buildings doing what they call elevator surfing where it seems to be very difficult to get the elevator companies to have the kinds of safeguards that will really keep them from being able to enter.

They have learned how to bypass every kind of lock and safety device.

Mr. KING. That is not a question that has been directed to us. It is something we will look into.

Mrs. BOGGS. You might bring that up to some people because a number of companies are now working on the problem.

It may be that you could offer expert advice to them. I thank all of you so much.

[Questions for the record and the justifications follow:]

Questions for the Record Provided by the Hon. Bob Traxler

NIBS' MEMBERSHIP

Question. In looking at your membership, your budget spreadsheet indicates that membership income in FY 1989 was $113,934. Yet it was projected to be $124,250. What is the reason for the decrease?

In your statement you indicate that membership increased from 530 in January 1989 to 655 in October 1989. If membership has increased, why has your membership income declined from $122,026 in fiscal year 1988 to $113,934 in fiscal year 1989?

Answer. During the last few years, the Institute has made several modifications to its dues structure. These modifications were made in part to simplify what had become a complex and confusing dues structure. However, the primary reason for the modification was to set dues which would encourage more participation in the Institute, particularly by representatives of public interest organizations. It is the Institute's members that comprise the vast base of knowledge and experience needed to address the myriad of complex and wide ranging technical and regulatory issues facing the building community. Increasing the breadth and depth of our membership is seen as one of the best ways to improve our ability to effectively respond to the mission which Congress gave NIBS.

To accomplish this goal, a decision was made to reduce the minimum dues amount, and create a voluntary "sustaining" membership classification for those who were able to contribute more financially to the Institute. These changes had the effect of initially reducing the overall amount of dues revenue received by the Institute. However, these losses should be offset in the next few years due to an increase in the number of Institute members. Since January, 1989, the number of Institute members has increased by 26%, from 530 to the current level of 668.

Question. In 1988, you added 80 new members and stated that could be "directly attributed to growth in the Institute's activity." (Page 622 of hearings). Has the activity of NIBS declined?

Provide for the record the current number of members.

Answer. Institute members usually join to become involved and participate in projects and activities which are of interest to them. Accordingly, as the level of Institute activities and projects increases, there will be a corresponding increase in the number of Institute members. As noted earlier, Institute membership has increased by nearly 140 since 1988 to the current level of 668.

Over the last two years, the activities and projects of the Institute have expanded significantly. The institute is currently undertaking a broad agenda of issues relating to building sciences, technology, and regulations, including developing guide specifications and other criteria to reduce hazards related to lead-based paint, asbestos, and radon, improving indoor air quality, developing and disseminating criteria to improve building seismic safety, wood protection, and land use, coordinating building thermal envelope research, developing a new test method to assess the toxic smoke hazards of building products and components during fires, developing national building research agendas, developing design criteria for the U.S. courts, and advising federal agencies with respect to the use of building codes, standards, and regulations. The Institute is also seeking to improve the dissemination and use of federally adopted design criteria, specifications, and guidelines through the production of its Construction Criteria Base (CCB), which now contains approximately 250,000 pages of technical information on a single optically-read compact disk.

Due to the increased voluntary participation and involvement of its members and others within the building community who are interested in improving the built environment, the Institute has been able to undertake this broad agenda of projects and activities, despite a relatively small annual budget of approximately $3.5 million dollars. The value of these voluntary contributions of time, expertise and effort is estimated to be in excess of $1 million dollars.

NIBS' CONSULTANTS

Question. According to your budget spreadsheet, the consultant/subcontractor costs were $386,082 for FY 1988. For FY 1989, you projected costs of $678,648, yet the actual cost was $703,910—almost double what the consultant/subcontractor costs were in FY 1988. Why have these costs increased so significantly?

For FY 1991 you are estimating the cost for this account to be $391,357—why would these costs decline?

Answer. The amount of subcontractor/consultant use by NIBS is largely dependent on the amount and type of activities being undertaken by the Institute. Since it would be impractical for NIBS to maintain a technical staff capable of addressing all of the technical issues related to building sciences, this expertise is secured through the use of qualified technical consultants and contractors when necessary.

The legislation authorizing the creation of NIBS directed the Institute to perform several functions, primarily relating to improving the building regulatory process and facilitating the development of criteria used to evaluate new technology, thus avoiding regulatory barriers to its introduction. NIBS was not created to perform basic scientific research and testing, although in fulfilling its mission, data and findings from such activities are often needed. The legislation encouraged NIBS to delegate these functions to existing organizations whenever possible.

For example, over the last few years, NIBS has been developing a new test method to assess the toxic hazard of building products and components during fires. To accomplish this objective, the Institute had to contract with a scientific research laboratory to perform the research necessary to support this new method. During FY 89, these costs amounted to $94,000. Since this project is nearly complete, only $21,000 was included in the FY 90 budget.

During FY 89, the amount and types of projects requiring outside technical expertise was quite large. However, not all Institute activities require the use of outside technical assistance as described above. Many Institute activities involve developing consensus-based recommendations on issues which already have been well researched, and have a readily available body of technical knowledge. Other activities involve identifying and assigning priorities to issues or topics which require further study. Our original budget for the current fiscal year anticipated more of these type of activities than last year.

NIBS' RESERVES

Question. You have $102,432 in cash reserve which, according to last year's hearings, was to be used in emergencies and to provide a degree of financial security. (p. 623) In what types of emergencies would you use this cash reserve?

Have you made use of this fund for any reason?

Answer. The cash reserve fund of the Institute would be used to provide stability in times of interrupted cash flows, or to undertake important projects which should not be delayed when no other source of funding is immediately available.

Since the Institute is a private corporation, it is subject to the ups and downs of the business cycle. This vulnerability is compounded by the fact that as a non-profit organization, the Institute relies on contributions and other sources of revenue which are less predictable. Further, NIBS cannot raise funds through the issuance of stock, nor would it be possible or practical to obtain funds through borrowing. Accordingly, cash reserves are necessary to protect against a sudden reduction in revenues or cash flows.

A cash reserve is also necessary when the need to undertake new projects arises periodically and unpredictably. These projects often require the investment of large amounts of funds before it is possible to raise these funds from other sources. If NIBS had to wait for funding to undertake such projects, many opportunities to effectively and efficiently address new issues would be lost.

To date, this fund has not been used for these, or any other reason.

Question. In your Statement of Activities, you list several activities accomplished through the use of funds appropriated to NIBS. How do you determine which projects will be funded each year?

You state that several of your projects are multi-year efforts. Please provide for the record those activities that are multi-year.

Answer. Any projects undertaken by the Institute, regardless of the source of funding, must be authorized by the Board of Directors. The Board of Directors generally acts on the recommendations of the Planning Committee. The Board Planning Committee screens and reviews projects that have been suggested by the Institute's Consultative Council. The thirty-six member Consultative Council is one of the Institute's primary links with the building community and its consumers and users. Council members are routinely canvased for their ideas and suggestions for project activities.

During the past year a more formal procedure for identifying emerging issues has been developed. The Consultative Council evaluates and recommends priorities for suggested project activities and makes recommendations to the Planning Committee of the Board which, in turn, recommends project activities to the Board of Directors for approval and funding. All projects considered by the Institute are first screened to ensure that they are compatible with the Institute's mission. A determination is also made on the appropriateness of the Institute to undertake the project rather than another private organization or an existing governmental entity.

As a part of the planning committee's responsibility, it identifies the availability of sources of funds for recommended projects. For broad based programs for which there are no likely outside sources of funding or where only part of the necessary funding is available, the committee often recommends the use of Institute funds insofar as such funds are available.

Multi-year projects that are currently under way or under consideration include: developing a state-of-the-art land use guidelines and criteria for use by local government officials; the study comparing the provisions of the model building codes with the Life Safety Code, as they relate to health care occupancies; developing guide specifications for testing and abating lead-based paint; developing enhancements for the Construction Criteria Base; revisions to the Asbestos Guide Specifications; producing a Building Envelope Design Guide; and conducting educational conferences on earthquake design provisions for buildings.

LEAD-BASED PAINT GUIDELINES

Question. According to your Statement of Activities, the technical guidelines for lead-based paint have been completed.

When will these guidelines be published, and why has HUD not allowed the release of this information?

Answer. Following the completion of our work for HUD in March, 1989, HUD asked that NIBS not publish its guidelines because HUD planned to review and refine the NIBS guide and publish it by October 1, 1989. HUD representatives indicated that their concerns included the high costs of lead-based paint abatement and the resulting impact on HUD's Comprehensive Improvements Assistance Program (CIAP). Also, HUD representatives expressed the concern that if there were two guidelines on the same subject it would likely be a cause of confusion in both the public and private sectors. Further, the HUD representatives indicated that they planned to reformat the document so it would better serve officials responsible for public and Indian housing, HUD's primary target for the guide. Although HUD did not meet its initial schedule, NIBS has no plans to publish the document developed for HUD.

Questions for the Record Provided by Hon. Lindy Boggs

LEAD-BASED PAINT GUIDELINES

Question. According to your testimony, page 5, you provided HUD with a document in March 1989 entitled "Lead-Based Paint Testing, Abatement, Cleanup and Disposal Guidelines." While HUD did not release your document to the public, it was used to develop the lead-based paint regulations HUD released on April 18, 1990. From your point of view, did HUD fully implement your recommendation and guidelines in the proposed lead-based regulations?

Answer. The Department of Housing and Urban Development's April 18, 1990 "Lead-Based Paint Interim Guidelines for Hazard Identification and Abatement in Public and Indian Housing" is nearly three times larger than the NIBS guide provided to HUD in March 1989. It contains a great deal of administrative information not included in the scope of work for the NIBS guide. The Institute was not asked to take part in the Department's process to revise the NIBS draft and was not provided an opportunity to review interim drafts developed by HUD over the past year. NIBS has not yet completed a comprehensive review of the HUD document, which comprises approximately 650 pages including its appendices.

Based on our preliminary assessment, we believe the HUD guidelines will provide a great deal of useful information to those who need guidance on this complex problem. In most respects there are close similarities between the HUD guidelines and the March 1989, NIBS guide. The following paragraphs describe several of the differences between the NIBS guide and the 4-18-90 HUD guidelines.

In the testing chapter the HUD guidelines recommend more confirmation testing than the NIBS document. This is the likely result of HUD's consideration of the December 1989, report developed by the National Institute of Standards and Technology (NIST), which provided a better basis for the testing section to improve the accuracy of methods to identify lead-based paint in buildings. Thus, following the HUD guidelines will result in abating fewer surfaces than would have been the case with the NIBS guide. But, testing costs will be higher because of the increased need for confirmation testing to verify the results of the less than completely reliable XRF tests; hopefully, the HUD procedures will result in lower costs overall.

One area in the HUD guidelines which warrants very careful reconsideration are provisions in the chapter on worker protection. The OSHA standard, which we understand *does not* apply to construction activities, is defined in the HUD guidelines as 50 micrograms (μg) of lead per deciliter (dl) of blood. In this measure, the higher the number the greater the quantity of lead in the blood. The committee agreed that appropriate federal health science agencies should reexamine this issue and act promptly to set an appropriate health standard suitable for lead-based paint abatement work. The concern, of course, is for the well being of the workers who will carry out lead-based paint abatement. Absent an applicable federal health standard for lead hazards in the construction industry, the NIBS committee incorporated the 30 μg/dl standard adopted by the city of Baltimore, Maryland.

For the purposes of determining when to remove a worker from the job for protection of the worker's health, the HUD guidelines recommend, as the action level, both 50 μg/dl *and* 30 μg/dl. Thus, it is probable that the industry will be confused as to which level to use. Further, other worker protection criteria in the HUD guidelines don't appear to provide as complete protection for the worker as the procedures recommended by the NIBS committee. It is our understanding that HUD, OSHA, NIOSH, EPA, and OMB are readdressing the content of this chapter and it may be revised. In the interim, however, there will be resulting confusion among industry sectors.

Although numerous abatement methods were allowed under the NIBS draft, the document recommended the use of techniques commonly called replacement, enclosure, and encapsulation as the primary abatement methods because of their effectiveness in controlling the production of lead-bearing dust during abatement. Replacement involves removing building components such as windows, doors, baseboards, etc. with the lead-based paint intact and replacing them with new components. Enclosure and encapsulation involve covering the lead-based paint with another durable surface such as wallboard, wood paneling, or vinyl wall covering. The HUD guidelines allow these and other techniques such as dry scraping.

Dry scraping was not included in the NIBS guide because the NIBS project committee found that dry scraping was likely to produce unacceptably large quantities of lead-bearing dust. Dry scraping is used to remove lead-based paint from substrates such as trim, windows, and doors before repainting them with a new lead-free finish, and is intended to be a less costly method. However, data considered by the NIBS committee indicated that it is very difficult to adequately control workers' blood lead levels when dry scraping is used, even if workers use respirators and protective clothing. Dry scraping is allowed under the HUD guidelines. The HUD document notes that dry scraping generates large amounts of dust, possibly requiring more extensive worker protection, containment, and extra cleanup.

A great deal of information is contained in the technical appendices to the HUD guidelines. Some of the appendix information contains incorrect sequencing for clearance testing. Although the information in the main sections of the document appears to be correct, this may cause some confusion.

As we mentioned during our testimony, the Institute is considering the development of a guide specification on testing and abatement of lead-based paint in buildings. It is intended that this document be compatible with the HUD guidelines. As that program progresses, we will develop a more comprehensive understanding of the content of the HUD guidelines.

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PROGRAMS AND PROJECTS SUMMARY

February 1990

1. **HHS/CABO/NFPA CODE STUDY** (NIBS #34)

A NIBS project committee is being formed to compare the life safety standards in the three nationally recognized model codes with the Life Safety Code produced by the National Fire Protection Association.

The study is being undertaken at the request of the U.S. Health Care Finance Administration, which has adopted the Life Safety Code as a standard of fire protection for health care facilities. The HCFA has been asked to recognize model building codes in addition to the standards of the Life Safety Code.

The comparison will determine the extent to which the model codes are comparable to NFPA standards and whether the model codes protect patients and personnel in institutional health care occupancies certified for participation in Medicare and Medicaid to the same extent as the Life Safety Code. As the Life Safety Code has been deemed by HCFA to "adequately protect patients and personnel in institutional health care occupancies," it will be the frame of reference for comparison of the Life Safety Code and the three model code systems.

2. **GSA INFORMATION/TECHNOLOGY TRANSFER STUDY** (NIBS #84)

In January 1990, NIBS began a project designed to help the Public Building Service (PBS) of the federal government's General Services Administration (GSA) develop a formal system for translating established research and lessons learned into standards and criteria for direct use by the PBS. PBS currently spends $600,000 a year on research, $200,000 on post occupancy evaluations and $1-$2 million on criteria development and dissemination.

PBS needs a formal system for translating lessons learned into criteria and business practices (policy and technical direction). This would include all of PBS activities (including acquisition, planning, design, construction, security, operations and maintenance).

NIBS' work on this project will result in a preliminary draft prepared by April 30, and a completed study by June 30, 1990.

3. **RADON STANDARDS** (NIBS #63)

Under contract with the U.S. Environmental Protection Agency (EPA), NIBS is rewriting the EPA developed draft document: Model Standards and Techniques for Controlling Radon Levels within New Buildings. Public Law 100-551 requires "model standards and techniques" to be made available by EPA to the public by June 1, 1990.

To achieve the project objectives NIBS has formed a project committee to assist in the following tasks: 1) identify existing building and material standards which may be affected by EPA draft model standards; 2) identify potential problems caused by conflicts between existing standards and the EPA draft; 3) confirm appropriateness of initial provisions and add others as needed; and 4) develop ways to resolve conflicts between existing standards and the EPA draft.

NIBS has contracted with two radon experts to assist in preparation of document drafts.

4. **LEAD-BASED PAINT ABATEMENT GUIDELINES** (NIBS #60)

In March 1989, NIBS completed the writing of technical guidelines for the testing, abatement, clean-up and disposal of lead-based paint (LBP) in Public and Indian housing. Developed under a HUD contract, the guidelines provide consensus based technical procedures and protocols, for use by managers, contractors, architects, engineers and others involved in the technical aspects of LBP testing and abatement.

This "how-to" guide provides detailed "hands-on" procedures for on site and laboratory testing, alternative abatement options, decontamination and clean-up of the abated areas and how to handle the waste and debris. A NIBS project committee advised and guided the seven month effort. HUD has used the NIBS document as the basis for drafting guidelines on lead-based paint testing and abatement for Public and Indian Housing. This HUD report is expected to be available from HUD on or before April 1, 1990.

This work was recommended by NIBS' LBP task force which studied the testing and abatement of lead-based paint in housing and developed broad recommendations to resolve the problem. The task force's February 1988 report to the NIBS' Board of Directors contains recommendations for addressing the problem.

5. **GSA MODEL CODE IMPLEMENTATION STUDY** (NIBS #82)

NIBS has advised the General Services Administration's Public Building Service on the most appropriate way to implement provisions in Public Law 100-678 which require "...compliance with one of the nationally recognized model building codes, and other applicable nationally recognized codes..." for the construction, alterations and repair of federal buildings. Specifically:

- o Recommend options and alternative strategies for which of the three model building codes and other nationally recognized codes should be followed geographically or nationwide.
- o Recommend options and alternative strategies for appropriate procedures and resources needed to insure compliance with the recommended codes.

A project committee was convened to develop recommendations for implementing the legislation. In September, 1989, NIBS delivered to GSA the report: GSA/PBS Codes Study. The report is available from NIBS. To assist the committee, NIBS assembled a team of consultants qualified to compare GSA building construction criteria with the nationally recognized model codes. The team visited GSA regional offices and local code officials to compare existing practices. A project committee was convened to develop recommendations for implementing the legislation. In September, 1989 NIBS delivered to GSA the report: GSA/PBS Codes Study. The report is available from NIBS.

6. U.S COURTS DESIGN GUIDE REFORMATTING (NIBS #81)

Under an indefinite quantity contract with the General Services Administration, NIBS reformatted and reorganized the U.S. Courts Design Guide. The guide is used by project architects and engineers in designing U.S. Court facilities. A more legible and better organized document was needed. The document is available from the GSA.

7. U.S. COURTS DESIGN CRITERIA WORK PLAN (NIBS #80) AND EVALUATION (NIBS #83)

Under a contract with the Administrative Office of the U.S. Courts, NIBS developed a workplan, schedule and cost estimates for evaluating design criteria contained in the 1984 edition of the U.S. Courts Design Guide.

Under a separate contract with the Administrative Office, NIBS is evaluating courts criteria. Areas being analyzed are: space, furniture, finishes, security, acoustics, mechanical-electrical and automation. NIBS has assembled a team of experts for the study.

In 1989, the project team visited federal courts in several geographic locations to gather data on courts facilities. At the end of the year, an interim set of guidelines was produced for review by the Space and Planning Committee of the Judicial Conference.

8. LAND DEVELOPMENT GUIDELINES (NIBS #45)

NIBS' land use task force is writing residential land development guidelines designed for use by local planning professionals and local citizens involved in the planning and zoning process. The task force held hearings in seven cities and identified successful examples of zoning and implementation, including zoning and subdivision regulations, as well as examples of regressive restrictive and discriminatory practices. These and other identified methods were grouped into several categories for analysis: comprehensive planning, zoning techniques, subdivision regulations, residential density, street and parking, municipal finance for infrastructure, development of sensitive sites, the development approval process, and water and sewer installations.

9. ASBESTOS ABATEMENT IN BUILDINGS (NIBS #58)

NIBS' *Asbestos Abatement and Management in Buildings, Model Guide Specifications* is the nation's authoritative, comprehensive guide specifications addressing options for asbestos abatement and asbestos maintenance and repair in buildings. NIBS' Asbestos Task Force has completed an extensive revision of the *Guide Specifications*. The second edition includes better coordination of technical sections with Asbestos Hazard Emergency Response Act regulations, and new criteria on small-scale short duration projects. New sections cover demolition of asbestos contaminated materials and non-asbestos demolition. New sections on abatement of non-friable interior and exterior asbestos-containing materials and an improved introduction will be added in a few months.

10. FOREIGN INFLUENCES IN THE U.S. BUILDING INDUSTRY (NIBS #39)

The Institute has published a report examining foreign influences and their positive and negative impact on the U.S. construction industry. The report was written by the task force which based its work on findings related to research and development, foreign investment, competition in construction materials, technology innovation, productivity and quality, and foreign entries in U.S. construction. The task force concluded that foreign influences may present more of an opportunity than a threat to the U.S. economy. However, the report emphasizes that if the U.S. intends to maintain its competitive advantage it must spend considerably more time and money on research and development. In the area of technological competitiveness, it concludes, the U.S. should consider a well-funded, public/private sector coordinated research program with emphasis on technology transfer. The report is available as an Institute publication.

In October, 1987 NIBS co-sponsored a workshop with the Massachusetts Institute of Technology entitled "Foreign Investment in the U.S. Markets for Real Estate, Housing and Construction." A report on the workshop is also available as an Institute publication.

11. FIRE HAZARDS CONFERENCE AND RESEARCH (NIBS #68)

Over the last two years a working group has developed a new performance test method for measuring the potential combustion toxic hazard of building products and building contents. The proposed test method marks a significant advance in fire hazard technology by integrating three basic fire characteristics: time to ignition, rate of burning and toxic potency into a single index value for reference purposes.

A technical report of research procedures is being prepared. The test method will soon be submitted to appropriate standards organizations for developing a voluntary standard test method; thus, paving the way for use by regulatory officials, design professionals, product and material manufacturers, and consumer groups. Details of the test method and its application were discussed at NIBS' Fire Hazards Conference III, Aug. 8-10, 1988.

The test protocol will be used by several qualified laboratories to validate the present test results in accordance with ASTM round robin procedures. The test procedures and supporting data are to be submitted to ASTM Committee E-5 and the fire safety committee of the National Fire Protection Association.

12. CONSTRUCTION CRITERIA BASE (NIBS #55)

The Construction Criteria Base (CCB), began by NIBS in 1987, is the first desktop computer information system using a Compact-Disc, Read-Only-Memory (CD-ROM) laser disk, designed and developed for the construction industry. Using CD-ROM technology, one five-inch compact disc is capable of storing up to 250,000 pages of text.

CCB enables specification writers, architects, engineers and others to search and retrieve, edit, develop and prepare guide specifications with incredible speed. The technical criteria are also useful to product manufacturers, testing agencies and contractors. Presently, CCB includes guide specifications for the Naval Facilities Engineering Command, the U.S. Army Corps of Engineers, and the National Aeronautic and Space Administration (NASA). The disc also contains the Veterans Administration Master Construction Specifications, the NAVFAC Design Manuals, the Department of Energy's Design Criteria, and many other databases, including referenced federal, military and non-governmental standards.

The CCB system includes high-speed full text search and retrieval and full graphics capability. In the future, specifications and technical manuals from additional federal agencies and standards from the private sector will be incorporated onto the disc. CCB has received approvals from more than 70 associations to include their referenced standards on the system. CCB is available on a subscription basis, supports ten different word processor formats, and includes the NASA/NAVFAC developed automated specifications processing system, SPECSINTACT, and the NAVFAC Cost Engineering System.

13. NEHRP PROVISIONS UPDATE (BSSC)

The Provisions Update Committee (PUC), responsible for the updating of the 1988 edition of the NEHRP Recommended Provisions for the Development of Seismic Regulations for New Buildings for issuance as the 1991 edition, has established 10 subcommittees of technical specialists to address seismic hazard mapping, structural design criteria and analysis, foundations, cast-in-place and precast concrete structures, masonry structures, wood structures, steel structures, architectural/mechanical/electrical systems, quality assurance, and interface with codes and standards. The subcommittees are considering new developments and experience data that has become available since the issuance of the 1988 edition of the Provisions as well as those technical issues left unresolved at the time of publication of the 1988 edition. The update is scheduled for completion in 1991.

14. RETROFIT OF EXISTING BUILDINGS (BSSC)

The BSSC Retrofit of Existing Buildings (REB) Committee, responsible for the development of consensus on publications on seismic evaluation of and strengthening techniques for existing buildings prepared by the Applied Technology Council and the URS Corporation, respectively, held several meetings during 1989. Committee members addressed individual member comments regarding technical issues that were identified during a review of the publications and believed to be in need of attention as well as methods/procedures for resolving those issues. Ad Hoc Subcommittees were established to continue detailed review of both the comments received on the ATC-22 document and the document itself. A revised version of ATC-22 was received from FEMA on Sept. 12 and a compilation of the REB Committee comments on the document and the disposition of those comments to date as a result of the Committee's preliminary deliberations has been prepared.

The eight-member Executive Committee of the REB Committee met in Washington, D.C., on Nov. 8-9 to review the revised versions of both reports and to formulate a plan for the remainder of the project.

15. UPDATE OF BSSC PUBLICATIONS

During June 1989, the BSSC received a contract modification from the Federal Emergency Management Agency providing funding to update various of the BSSC publications prepared in support of the 1985 edition of the NEHRP Recommended Provisions for the Development of Seismic Regulations for New Buildings to bring them into conformity with the substantive content of the 1988 edition of the 1988 edition of the Provisions.

16. SEISMIC DESIGN PROVISIONS DEMONSTRATION (BSSC)

In September 1989, the BSSC received funding from FEMA to initiate a second demonstration project (identified as Phase VIII of the BSSC Program on Improved Seismic Safety Provisions). The major objectives of this effort are to demonstrate the usability, practicability, and technical validity of the procedure in the "Appendix to Chapter 1" of the 1988 Edition of the "NEHRP Recommended Provisions" and to document the economic impact of its utilization. As part of this project, the BSSC will commission design firms in three U.S. cities (tentatively selected are Charleston, S.C.; New York City, N.Y.; and Seattle, Wash.) to prepare four alternate trial designs for each of two prototype buildings using:

- o Procedures consistent with the local seismic code requirements currently in effect;
- o Procedures in the main body of the 1988 Edition of the Provisions;
- o Procedures in the "Appendix to Chapter 1" of the 1988 Edition of the Provisions for the 50-year exposure period; and
- o Procedures in the "Appendix to Chapter I" of the 1988 Edition of the Provisions for the 250-year exposure period.

The two prototype buildings will be representative of current and projected construction in all three cities as well as across the nation. The seismic resisting system, construction materials, etc., will be different for each prototype.

17. LIFELINES (NIBS #79)

The final report of the NIBS Panel -- Strategies and Approaches for Mitigating the Risks to Lifelines from Earthquakes and Other Natural Disasters was redrafted during 1989 and is now available from NIBS' publications department. NIBS' contract with FEMA to conduct Lifelines work was modified in January 1990. The modification, initiated by FEMA, extends the expiration date to April 30, 1990 thereby affording FEMA an opportunity to request that NIBS consider an expansion of the contract statement of work.

18. MODULAR HOUSING (NIBS #32) AND FACTORY-BUILT HOUSING (NIBS #38)

The Housing and Community Development Act of 1987 directed NIBS to prepare and submit to the Congress by August 1988 a report describing feasible alternatives for implementing a voluntary preemptive national program for regulating modular housing, including the method for inspecting the structures to ensure compliance with a selected code or set of codes. A 100-person project committee was formed with voluntary participation from 12 different segments of the construction industry. The report was drafted and approved through the Institute's consensus balloting process. It was approved by the NIBS Board of Directors and delivered to Congress.

In a related matter, in 1987 NIBS conducted three fact-finding forums in Orlando, Indianapolis and Irvine, to discuss construction, transportation, installation, zoning and regulatory issues concerning factory-built housing. The task force that coordinated these forums produced a report including proceedings and findings on the regulation of factory-built housing, including panelized, precut, modular housing and manufactured housing (mobile homes). The report is available to the public from NIBS' publications department.

19. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY RESEARCH AGENDA (NIBS #69)

For the fifth consecutive year, NIBS will recommend building community-recommended research topics for the National Institute of Standards and Technology's Centers for Building Technology and Fire Research. In previous years, NIBS surveyed its members and others to identify building research priorities and the assigned project committee developed recommendations for building environment, building materials, structural engineering, and fire safety projects which should be addressed by NIST in this research. These projects, with appropriate supporting narrative, are available in a report which along with previous year reports is available from NIBS' publications department.

20. BUILDING THERMAL ENVELOPE COORDINATING COUNCIL (NIBS #71)

The Building Thermal Envelope Coordinating Council (BTECC) operates under the auspices of the Institute. The Council's activities include coordination of research for the materials, components and subsystems that compromise the thermal envelope of buildings; technical issues relating to the interface between mechanical and electrical systems and the thermal envelope; and the integration of technical programs on fire safety, indoor air quality and thermal comfort with the thermal performance of building envelopes.

Three times a year BTECC holds technical conferences and informal workshops in Washington, D.C. The Council maintains six active research committees that perform studies, develop research agendas, and conduct workshops. Current activities of BTECC include a study of the feasibility of a tracking system on current research and publications related to building thermal envelopes, and planning for two formal workshops. A workshop scheduled for May 22-23, 1990 will focus on In-Situ Heat Flux Measurements in Buildings. The second workshop to be scheduled in late 1990 will deal with prevention and repair of condensation damage in new and existing housing.

Publications prepared by BTECC and available from the Institute are: The National Program Plan for Thermal Performance of Building Envelope Materials and Systems -- a 309-page compendium of research needs; and the Proceedings of the December 1986 Symposium on Air Infiltration, Ventilation and Moisture Transfer (483 pages).

The next technical conferences of BTECC are scheduled to be held on February 26, 27 and 28, 1990 in Washington, D.C.

21. WOOD PROTECTION COUNCIL (NIBS #40)

NIBS' Wood Protection Council (WPC) promotes the development and use of safe and effective means for protecting new and existing buildings from damage by wood decay and destroying organisms. In October 1988 the WPC held a conference to examine the latest methods in wood protection. The WPC also recently published Recommendations for Protection of Wood Against Decay and Termite Attack, a guide on the options available for proper protection against decay and termites. This publication, and the WPC's pamphlet, Indoor Sampling Guidelines for Termiticides, are available from NIBS publications department.

22. MODEL MANUALS FOR THE VETERANS ADMINISTRATION (NIBS #62)

A NIBS committee has developed a series of four Model Manuals for VA Medical Facility Start-Up, Operations, and Maintenance. Final versions of all manuals in the series are available from the NIBS publications department. The purpose of the manuals is to provide a building owner or manager with a tool to ease the transition from construction to operations. These manuals provide a means for condensing critical technical planning data into a useful format--for direct and immediate use by the hospital staff.

AUDITED FINANCIAL STATEMENTS

NATIONAL INSTITUTE OF BUILDING SCIENCES

September 30, 1989

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FINANCIAL STATEMENTS

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Independent Auditor's Report

To the Board of Directors
National Institute of Building Sciences
Washington, D.C.

We have audited the accompanying balance sheets of the National Institute of Building Sciences as of September 30, 1989 and 1988, and the related statements of revenue and expense, changes in fund balances, and cash flows for the years then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Institute of Building Sciences at September 30, 1989 and 1988, and the results of its operations, the changes in its fund balances and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Feddeman, Lesche + Tate

Alexandria, Virginia
December 15, 1989

BALANCE SHEETS

NATIONAL INSTITUTE OF BUILDING SCIENCES

	September 30,	
	1989	1988
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 619,235	$564,340
Certificate of deposit	77,426	-
Accounts receivable, net of allowance for doubtful accounts of $60,000 in 1988	639,101	205,330
Inventory	69,015	17,802
Prepaid expense and deposits	62,907	39,645
Total Current Assets	1,467,684	827,117
PROPERTY AND EQUIPMENT, at cost - Note B		
Furniture and equipment	313,827	215,544
Leasehold improvements	56,497	42,470
	370,324	258,014
Less accumulated depreciation and amortization	113,897	145,620
	256,427	112,394
	$1,724,111	$939,511
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
Accounts payable and accrued expense	$ 282,713	$119,367
Accrued lease obligation	121,610	-
Advance on uncompleted contract	150,000	150,000
Deferred revenue	197,843	75,208
Current portion of long-term debt - Note B	13,787	2,658
Total Current Liabilities	765,953	347,233
LONG-TERM LIABILITIES		
Long-term debt, less current portion - Note B	42,264	11,407
Total Liabilities	808,217	358,640
FUND BALANCES		
Undesignated	813,462	580,871
Designated - cash revenues	102,432	-
	915,894	580,871
COMMITMENTS AND CONTINGENCIES - Notes E and F		
	$1,724,111	$939,511

Certain 1988 amounts have been reclassified for comparative purposes.

See notes to financial statements.

STATEMENTS OF REVENUE AND EXPENSE

NATIONAL INSTITUTE OF BUILDING SCIENCES

	Year Ended September 30,	
	1989	1988
REVENUE		
Congressional appropriation - Note C	$ 500,000	$ 500,000
Contracts and grants	1,573,591	800,113
Donations	240,936	338,200
Construction Criteria Base	710,555	274,948
Other publication sales	161,787	92,838
Member contributions	113,934	122,026
Interest income	35,625	17,703
Other	30,451	43,337
Total Revenue	3,366,879	2,189,165
EXPENSE		
Contracts and grants:		
Personnel	386,879	196,697
Subcontractors and consultants	584,689	255,053
Overhead allocated to contracts and grants	286,765	146,721
Travel	86,853	82,822
Materials, supplies and printing	31,148	36,608
Other	46,003	17,825
Total contract and grant expense	1,422,337	735,726
Institute programs and related activities:		
Personnel	279,918	265,636
Subcontractors and consultants	101,646	128,539
Overhead allocated to programs	253,768	254,686
Travel	22,266	29,242
Cost of sales - Construction Criteria Base	290,227	184,178
Materials, supplies and printing	194,580	109,901
Other	38,137	50,039
Total program expense	1,180,542	1,022,221
General and administrative expense (net of amounts allocated to contracts, grants and programs)	428,977	473,701
Total Expense	3,031,856	2,231,648
EXCESS (DEFICIT) OF REVENUE OVER EXPENSE	$ 335,023	$ (42,483)

Certain 1988 amounts have been reclassified for comparative purposes.

See notes to financial statements.

STATEMENTS OF CHANGES IN FUND BALANCES

NATIONAL INSTITUTE OF BUILDING SCIENCES

Years Ended September 30, 1989 and 1988

	Total All Funds	Undesignated	Designated-Cash Reserves
Fund Balances, October 1, 1987	$ 623,354	$ 623,354	$ -
Revenue	2,189,165	2,189,165	
Expense	2,231,648	2,231,648	
Fund balances, September 30, 1988	580,871	580,871	-
Revenue	3,366,879	3,364,447	2,432
Expense	3,031,856	3,031,856	
Transfers		(100,000)	100,000
FUND BALANCES, SEPTEMBER 30, 1989	$ 915,894	$ 813,462	$102,432

See notes to financial statements.

STATEMENTS OF CASH FLOWS

NATIONAL INSTITUTE OF BUILDING SCIENCES

	Year Ended September 30, 1989	1988
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficit) of revenue over expense	$ 335,023	$(42,483)
Adjustments to reconcile excess (deficit) of revenue over expense to net cash provided by operating activities:		
Depreciation	29,010	27,389
Amortization	6,989	4,164
Loss on disposals of property and equipment	3,688	291
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	(433,771)	153,985
Decrease (increase) in inventory	(51,213)	6,949
Decrease (increase) in prepaid expense and deposits	(23,262)	7,730
Increase (decrease) in accounts payable and accrued expense	163,346	(54,197)
Increase in accrued lease obligation	121,610	-
Increase in deferred revenue	122,635	65,800
Total Adjustments	(60,968)	212,111
Net Cash Provided by Operating Activities	274,055	169,628
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificate of deposit	(77,426)	-
Proceeds from sale of property and equipment	415	5,187
Purchases of property and equipment	(139,490)	(5,502)
Net Cash Used in Investing Activities	(216,501)	(315)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on obligation under capital lease	(2,659)	(1,782)
NET INCREASE IN CASH AND CASH EQUIVALENTS	54,895	167,531
Cash and cash equivalents, beginning of year	564,340	396,809
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 619,235	$ 564,340
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 1,903	$ 1,911
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Long-term debt obligation incurred in acquisition of equipment	$ 44,645	$ 15,847

Certain 1988 amounts have been reclassified for comparative purposes.

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NATIONAL INSTITUTE OF BUILDING SCIENCES

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Congress authorized the creation of the National Institute of Building Sciences through the Housing Community Development Act of 1974. The Institute was incorporated under the laws of the District of Columbia as a nonprofit, nongovernmental entity. The Institute is an advisory body. Its primary functions are to foster improvements in the building regulatory environment and to facilitate the introduction of new and existing products and technology into the building process.

Income Tax Status: The Institute is exempt from paying income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting: The Institute prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expense when incurred.

Cash and Cash Equivalents: For financial statement purposes, the Institute considers all investments with a maturity of three months or less to be cash equivalents.

Inventory: Inventory is valued at the lower of cost (first-in, first-out basis) or market value.

Property and Equipment: Furniture and equipment are recorded at cost and depreciated over the estimated useful lives of the assets of three to ten years, using the straight-line method. Leasehold improvements are amortized over the lesser of the life of the lease or the life of the improvements.

Revenue Recognition: Revenue from contracts and grants is recognized as work is performed and expense is incurred. Provision for estimated losses on uncompleted contracts is made in the period in which such losses are determined.

Fund Balances: To ensure observance of limitations and restrictions placed upon the use of resources, the accounts of the Institute are maintained in accordance with fund accounting principles. The purpose of each fund and any restrictions are set forth below:

> Undesignated - This fund is used for the general operations of the Institute.
>
> Designated - Cash Revenues - This fund was established by the Board of Directors to fund emergencies and to provide financial security to the Institute. All interest earned by the assets of the fund are accrued within the fund. Cash reserves may only be expended by the specific approval of the Board of Directors.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NATIONAL INSTITUTE OF BUILDING SCIENCES

NOTE B - LONG-TERM DEBT

Long-term debt consists of the following at September 30:

	1989	1988
Installment note payable in monthly installments through March 1993, bearing interest at 13% and secured by the Institute's copier	$44,645	$ -
Capital lease payable in monthly installments through December 1992, bearing an implicit interest rate of 12.84% and secured by the Institute's telephone system	11,406	14,065
	56,051	14,065
Less current portion	13,787	2,659
	$42,264	$11,406

Total principal maturities of long-term debt are as follows for the years ending September 30:

1990	$13,787
1991	15,686
1992	17,845
1993	8,733
	$56,051

NOTE C - CONGRESSIONAL APPROPRIATION

In August 1984, Congress appropriated $250,000 for current Institute expenses and $5,000,000 for the establishment of the "National Institute of Building Sciences Trust Fund." Under the terms of this appropriation, the Institute is to provide Congress with an annual report, indicating that the Institute is functioning in a manner consistent with authorized legislations and with commitments made to Congress. In the event the Institute functions in a manner inconsistent with these legislations and commitments, Congress has reserved the right to rescind the appropriation and terminate the Trust.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NATIONAL INSTITUTE OF BUILDING SCIENCES

NOTE C - CONGRESSIONAL APPROPRIATION - CONTINUED

The Trust agreement provides that the $5,000,000 principal will be invested to earn ten percent per annum. This interest is to be paid to the Institute in quarterly installments for a period of five years. At the end of the five year period, the Trust will be terminated and the $5,000,000 principal will be returned to the United States Government. The Trust agreement further stipulates that the annual interest received by the Institute shall not exceed the lesser of $500,000 or an amount equivalent to non-federal funds received by the Institute in the preceding year.

The above appropriation ended on September 30, 1989. In order to continue Federal support of the Institute, Congress approved a direct appropriation of $492,000 for the year ending September 30, 1990. These funds are to be matched on an equal basis by membership dues, contributions, and other revenue from private sources.

For the years ended September 30, 1989 and 1988, the Institute received nonfederal funds from the following sources:

	1989	1988
Donations	$247,744	$338,200
Member contributions	111,549	117,600
Annual meetings and seminars	32,517	41,323
Publications	462,502	187,616
Other	30,520	17,412
Total	$884,832	$702,151

NOTE D - PENSION PLAN

The Institute has a non-contributory, defined contribution pension plan which covers all employees who meet the length of service requirements. Prior to fiscal year 1989, the terms of the plan required the Institute to make annual contributions equal to 8% of the first $10,000 of each participating employee's base salary and 12.7% of the amount in excess of $10,000. During the year ended September 30, 1989, the terms of this plan were amended, requiring the Institute to make contributions equal to 12.7% of each participating employee's base salary. The plan is currently funded. Pension expense for the years ended September 30, 1989 and 1988, were $64,657 and $51,921, respectively.

NOTE TO FINANCIAL STATEMENTS - CONTINUED

NATIONAL INSTITUTE OF BUILDING SCIENCES

NOTE E - LEASE COMMITMENT

The Institute leases office space under a noncancellable, operating lease which expires May 30, 1999. Rent expense for the years ended September 30, 1989 and 1988, amounted to $275,632 and $183,044, respectively. The Institute received rent abatements which have been applied to the rental payments through December, 1990. Future minimum rental payments, subject to increase based upon the Consumer Price Index, are as follows:

Year Ending September 30.	Amount
1990	$ 101,880
1991	178,687
1992	203,760
1993	203,760
1994	211,719
Thereafter	1,040,556
	$1,940,362

NOTE F - CONTINGENCIES

Under the terms of the Institute's government contracts and grants, the Institute is entitled to the reimbursement of direct and indirect costs incurred. All direct cost and overhead rates charged under the Institute's government contracts and grants are subject to audit by the cognizant government agencies. As of September 30, 1989, audits have been completed for periods through September 30, 1985. For years subsequent to September 1985, management anticipates that there will be no significant effect on the Institute's financial statements as a result of such audits.

NATIONAL INSTITUTE OF BUILDING SCIENCES
FIRST QUARTER FY 90
BALANCE SHEET

ASSETS	Sept 30, 1989	Dec 31, 1989
CURRENT ASSETS:		
CASH AND CASH EQUIVALENTS	$ 594,229	$ 399,235
ACCOUNTS RECEIVABLE	$ 639,101	$ 645,748
INVENTORIES	$ 69,015	$ 47,226
DEPOSITS	$ 47,411	$ 19,977
OTHER	$ 15,496	$ 1,087
TOTAL CURRENT ASSETS	$1,365,252	$1,113,273
PROPERTY AND EQUIPMENT		
FURNITURE AND EQUIPMENT	$ 313,827	$ 344,552
LEASEHOLD IMPROVEMENTS	$ 56,497	$ 56,498
	$ 370,324	$ 401,050
LESS:		
ACCUMULATED DEPRECIATION AND AMORTIZATION	$ 113,897	$ 122,647
NET PROPERTY AND EQUIPMENT	$ 256,427	$ 278,403
RESTRICTED CASH	$ 102,432	$ 193,123
TOTAL ASSETS	$1,724,111	$1,584,799
LIABILITIES AND FUND BALANCE		
ACCOUNTS PAYABLE	$ 282,713	$ 75,395
OBLIGATIONS UNDER CAPITAL LEASE	$ 56,051	$ 55,332
CONTRACT ADVANCES	$ 150,000	$ 150,000
DEFERRED REVENUES	$ 197,843	$ 199,157
ACCRUED LEASE OBLIGATION	$ 121,610	$ 161,961
TOTAL LIABILITIES	$ 808,217	$ 641,845
FUND BALANCE		
DESIGNATED - CASH RESERVES	$ 102,432	$ 193,123
UNDESIGNATED FUND BALANCE	$ 813,462	$ 749,831
TOTAL FUND BALANCE	$ 915,894	$ 942,954
TOTAL LIABILITIES AND FUND BALANCE	$1,724,111	$1,584,799

NATIONAL INSTITUTE OF BUILDING SCIENCES
FIRST QUARTER FY 90
INCOME STATEMENT

INCOME	DEC 31, 1989	ANNUAL BUDGET	REMAINING
APPROPRIATIONS	$ 123,000	$ 500,000	$ 377,000
CONTRACTS INCOME	319,459	1,509,095	1,189,636
RESTRICTED DONATIONS	3,002	5,000	1,998
UNRESTR. DONATIONS	17,000	175,000	158,000
PUBLICATION SALES	151,494	720,711	569,217
CCB EQUIPMENT SALES	66,416	232,800	166,384
MEMBER DUES	25,471	119,150	93,679
INTEREST INCOME	6,251	15,000	8,749
SEMINARS/MEETINGS	14,575	36,750	22,175
OTHER INCOME	704	0	(704)
TOTAL INCOME	$ 727,372	$3,313,506	$2,586,134
EXPENSES			
SALARIES AND WAGES	$ 248,572	$1,010,856	$ 762,284
FRINGE BENEFITS	69,131	278,902	209,771
CONSULTANTS	79,433	391,357	311,924
BOARD FEES	1,400	10,000	8,600
BOARD TRAVEL	18,449	85,000	66,551
STAFF TRAVEL	9,321	41,400	32,079
COMMITTEE TRAVEL	8,928	66,500	57,572
TELEPHONE AND POSTAGE	23,255	88,745	65,490
MEETINGS	35,708	48,531	12,823
PRINTING AND COPY	35,693	164,814	129,121
OFFICE SUPPLIES	12,144	47,534	35,390
LEASED EQUIPMENT	1,152	5,000	3,848
CONTRACT EQUIPMENT	9,167	33,500	24,333
EQUIPMENT MAINT.	1,562	7,500	5,938
STAFFING	0	5,000	5,000
LEGAL/AUDIT	8,154	32,500	24,346
RENT AND OCCUPANCY	55,716	201,350	145,634
DEPRECIATION/AMORT.	8,750	35,000	26,250
INSURANCE	4,282	20,000	15,718
ADVERTISING/PROMO.	3,598	60,600	57,002
INTEREST/BANK FEES	985	4,550	3,565
COST OF CCB SALES	64,730	235,270	170,540
MISCELLANEOUS	184	1,000	816
PROGRAM DEVELOPMENT	0	88,598	88,598
TOTAL EXPENSES	$ 700,313	$2,963,507	$2,263,194
NET INCOME (LOSS)	$ 27,060	$ 350,000	$ 322,940
TRANSFERS TO RESERVES:			
CASH	$ 0	$ (300,000)	$ (300,000)
CAPITAL REPLACEMENT	(21,975)	(50,000)	(28,025)
INCREASE/(DECREASE) IN UNDESIGNATED FUNDS	$ 5,085	$ 0	$ (5,085)

NATIONAL INSTITUTE OF BUILDING SCIENCES BUDGET SPREADSHEET

	FY88	FY89	FY89	FY90
CATAGORY	ACTUAL	BUDGET	ACTUAL	BUDGET
GRANTS/CONTRACTS	$800,113	$1,667,455	$1,573,591	$1,509,095
MEMBERSHIP	$122,026	$124,250	$113,934	$119,150
DONATIONS,UNRESTR.	$199,700	$175,000	$99,744	$175,000
DONATIONS,RESTR.	$138,500	$210,000	$141,192	$5,000
PUBLICATIONS	$367,786	$942,806	$872,342	$953,511
SEMINARS/WORKSHOPS	$42,995	$54,995	$34,057	$36,750
INTEREST	$17,703	$15,000	$35,626	$15,000
MISCELLANEOUS	$343	$1,000	($3,607)	$0
TRUST FUND/APPROPRIATIONS	$500,000	$500,000	$500,000	$500,000
TOTAL	$2,189,165	$3,690,506	$3,366,879	$3,313,506
PROFESSIONAL SALARIES	$588,198	$724,767	$711,250	$870,313
CLERICAL SALARIES	$164,717	$130,436	$129,275	$140,543
PART TIME CLERICAL	$3,218	$14,000	$18,526	$0
TOTAL SALARIES	$756,133	$869,203	$859,051	$1,010,856
FRINGE BENEFITS	$184,681	$241,267	$224,345	$278,902
CONSULTANTS/SUBCONTRACT	$386,082	$678,640	$703,910	$391,357
BOARD FEES	$5,800	$6,000	$8,450	$10,000
TRAVEL	$172,448	$295,500	$168,599	$192,900
COMMUNICATIONS	$78,963	$102,620	$89,246	$88,745
SUPPLIES AND SERVICES	$220,676	$361,970	$299,905	$367,479
OCCUPANCY/RENT	$185,307	$295,883	$275,789	$201,350
COST OF SALES	$184,178	$358,797	$290,227	$235,270
OTHER	$57,382	$272,476	$112,334	$186,647
TOTAL EXPENSE	$2,231,649	$3,482,364	$3,031,856	$2,963,506
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	($42,483)	$208,142	$335,023	$350,000
PLUS/(MINUS): TRANSFERS TO OTHER FUNDS:				
TERCHNOLOGY STUDY	$250,000	$0	$0	$0
CASH RESERVES	$0	($100,000)	($102,432)	($300,000)
INCREASE (DECREASE) IN UNDESIGNATED FUND BALANCE	$207,517	$108,142	$232,591	$50,000
UNDESIGNATED FUND BALANCE AT BEGINNING OF YEAR	$373,354	$580,871	$580,871	$813,462
UNDESIGNATED FUND BALANCE	$580,871	$689,013	$813,462	$863,462
LESS NET FURNITURE AND EQUIPMENT	$112,394	$193,846	$256,427	$306,427
AVAILABLE FUND BALANCE	$468,477	$495,167	$557,035	$557,035

NATIONAL INSTITUTE OF BUILDING SCIENCES
EXPLANATION OF FY 90 PROJECTED SALARY INCREASES OVER FY 89 LEVELS

	CLASSIFICATION	FY 89 ACTUAL	FY 90 BUDGET	NOTES (SEE ATTACHED)	INCREASES DUE TO SALARY INCREASES	INCREASES (DECREASES) DUE TO PERSONNEL CHANGES
PRESIDENT	PROFESSIONAL	$75,000	$82,600	1	$7,600	$0
PRESIDENT EMERITUS	PROFESSIONAL	$25,000	$0	2	$0	($25,000)
VP PLANNING	PROFESSIONAL	$64,250	$67,300		$3,050	$0
VP FINANCE/ADMIN	PROFESSIONAL	$53,790	$56,600		$2,810	$0
EXEC DIRECTOR, BSSC	PROFESSIONAL	$70,065	$73,500		$3,435	$0
DIRECTOR, TECH. PROGRAMS	PROFESSIONAL	$27,460	$56,700	3	$2,670	$26,570
DIRECTOR, CCB PROGRAM	PROFESSIONAL	$43,093	$68,250	4	$3,825	$21,332
DIRECTOR, COMMUNICATIONS	PROFESSIONAL	$42,000	$44,100		$2,100	$0
PROGRAM MGR	PROFESSIONAL	$16,185	$34,125	5	$0	$17,940
PROGRAM MGR	PROFESSIONAL	$18,425	$26,250	6	$0	$7,825
PROGRAM MGR	PROFESSIONAL	$45,000	$47,250		$2,250	($0)
PROGRAM MGR	PROFESSIONAL	$32,190	$45,000	7	$0	$12,810
PROGRAM MGR	PROFESSIONAL	$42,822	$45,000		$2,178	$0
MGR., CCB INFO SYSTEMS	PROFESSIONAL	$6,922	$35,000	8	$0	$28,078
MGR., MEETINGS	PROFESSIONAL	$29,875	$31,075		$1,200	$0
MGR., OFFICE SERVICES	PROFESSIONAL	$32,948	$33,500		$1,500	($948)
MGR PUBLICATIONS/MBRSHP	PROFESSIONAL	$25,275	$27,825		$2,550	$0
ASSISTANT PROGRAM MGR	PROFESSIONAL	$28,217	$30,000		$1,783	$0
COMPUTER SPECIALIST	PROFESSIONAL	$13,750	$34,650	9	$1,500	$19,400
RESEARCH ASSISTANT	PROFESSIONAL	$12,637	$21,000	10	$2,000	$6,363
COMMUNICATIONS SPECIALIST	PROFESSIONAL	$16,950	$10,500	11	$0	($6,450)
DEFERRED EXPENSE	PROFESSIONAL	($14,386)	$0		$0	$14,386
ACCRUED VACATION EXPENSE	PROFESSIONAL	$3,781	$0		$0	($3,781)
SECRETARY, VP PLANNING	CLERICAL	$23,564	$25,200		$1,636	$0
MAIL/COPY ROOM CLERK	CLERICAL	$14,992	$18,743	12	$1,200	$2,550
RECEPTIONIST	CLERICAL	$16,093	$16,800		$707	$0
SECRETARY, ADMINISTRATION	CLERICAL	$16,743	$17,850		$1,107	$0
ADMIN ASSISTANT, BSSC	CLERICAL	$26,350	$28,350		$2,000	$0
EXECUTIVE SECRETARY	CLERICAL	$25,474	$28,350		$2,876	$0
SUMMER INTERNS	CLERICAL	$6,095	$5,250		$0	($845)
ACCRUED VACATION EXPENSE	CLERICAL	($35)	$0		$0	$35
		$840,525	$1,010,855		$50,065	$120,230
TOTAL PROFESSIONAL		$711,250	$870,313		$40,539	$118,524
TOTAL SECRETARIAL		$129,275	$140,542		$9,527	$1,705

Notes to Salary Schedule

1. Salary not raised in FY 89, pending board action.
2. Position eliminated due to retirement.
3. Position vacant for 6 months in FY 89, (10/1/88 - 2/28/89). Replaces position for Vice President of Technical Programs.
4. Position vacant 4 months in FY 89, (10/1/88 - 12/15/88, 5/15/89 -6/15/89).
5. New part time position, vacant 5 months in FY 89, (10/1/88 - 2/28/90).
6. New part time position, vacant 5 months in FY 89, (10/1/88 - 2/28/90).
7. Position vacant 3 months in FY 89, (6/1/89 - 9/30/89).
8. New position, vacant 9.5 months in FY 89, (10/1/88 - 7/15/89).
9. New position, vacant 7 months in FY 89, (10/1/88 - 5/1/89).
10. New position, vacant 4.5 months in FY 89, (10/1/88 - 1/15/89).
11. Part time hourly position, workload varies.
12. Position vacant 1.5 months in FY 89, (10/15/88 - 12/1/89).

NATIONAL INSTITUTE OF BUILDING SCIENCES
COMPARISON OF CONTRACT INCOME
FY 89 ACTUAL AND FY 90 BUDGET

CONTRACT	AGENCY	FY 89 ACTUAL	FY 90 BUDGET
CCB RESEARCH	NAVY	$389,090	$346,891
EPA RADON	EPA	$0	$37,000
NIST BLDG ENVELOPE GDLNS	NIST	$0	$44,500
ORNL ENERGY WORKSHOPS	DOE	$0	$20,007
NIST RESEARCH AGENDA	NBS	$24,837	$33,661
LIFELINES	FEMA	$28,394	$0
BSSC SEISMIC PROVISIONS	FEMA	$464,415	$649,039
LEAD BASED PAINT	HUD	$108,044	$0
AOUSC COURTS GUIDE	AOUSC	$39,127	$0
COURT GUIDE REFORMAT	GSA	$62,127	$0
MODEL CODES STUDY	GSA	$244,399	$0
AOUSC COURTS CRITERIA	AOUSC	$213,158	$180,806
HHS/CABO/NFPA CODE STUDY	N.J.	$0	$15,000
POTENTIAL NEW CONTRACTS	VARIES	$0	$174,191
TOTALS		$1,573,591	$1,509,095

NATIONAL INSTITUTE OF BUILDING SCIENCES
SUMMARY OF INTERNALLY FUNDED PROJECTS AND PROGRAMS
FY 1986 - FY 1989

	COST				
PROJECT DESCRIPTION	FY 86	FY 87	FY 88	FY 89	TOTAL
REGULATORY UPDATE	$2,555	$0	$0	$0	$2,555
ROLES/RESPONSIBILITIES	$1,272	$0	$0	$0	$1,272
ASBESTOS GUIDESPEC	$74,415	$0	$0	$0	$74,415
LAND USE	$33,489	$111,361	$13,284	$4,107	$162,241
BUILDING ENERGY COMMITTEE	$9,176	$2,831	$0	$0	$12,007
FOREIGN HOUSING TECHNOLOGY	$3,641	$10,718	$0	$13,734	$28,094
PUBLIC INFORMATION	$68,707	$237,225	$170,901	$0	$476,834
LEAD BASED PAINT	$0	$15,271	$25,176	$0	$40,447
COUNCIL FORUMS	$0	$1,512	$0	$0	$1,512
MANUFACTURED HOUSING	$0	$79,254	$34,661	$0	$113,915
FOREIGN INFLUENCES	$0	$64,563	$38,386	$0	$102,949
HOUSING REHABILITATION	$0	$92,248	$1,288	$0	$93,536
INDOOR AIR/RADON	$0	$7,397	$0	$22,521	$29,918
ASBESTOS GUIDE SPEC REVISION	$0	$1,387	$34,231	$6,507	$42,125
A/E/C SYSTEMS CONFERENCE	$0	$0	$0	$31,347	$31,347
WOOD PROTECTION COUNCIL	$5,242	$10,568	$15,131	$13,965	$44,906
BLDG THERMAL ENVELOPE COORD. CNCL	$27,161	$2,414	$7,524	$23,562	$60,661
NIBS SHARE OF CONTRACT COSTS	$230,387	$113,212	$194,981	$96,476	$635,055
	$456,045	$749,961	$535,563	$212,219	$1,953,788

THURSDAY, APRIL 26, 1990.

NATIONAL CREDIT UNION ADMINISTRATION

WITNESSES

ROBERT J. LaPORTE, PRESIDENT, CENTRAL LIQUITY FACILITY
ROBERT M. FENNER, GENERAL COUNSEL
TIMOTHY P. HORNBROOK, DIRECTOR, DEPARTMENT OF SUPERVISION
WILLIAM C. POLING, BUDGET OFFICER

OPENING REMARKS

Mrs. BOGGS. We are happy to have before us the National Credit Union Administration, and Mr. LaPorte, the President of the Central Liquidity Facility of the National Credit Union Administration.

I would like to welcome you. For fiscal year 1991, NCUA is requesting a $600 million limit on loans. This is the same limitation as fiscal year 1990.

FISCAL YEAR REQUEST

In addition, the Central Liquidity Facility is requesting a $893,000 limitation for operating expenses. This is $42,000 above last year's limit.

We now welcome the testimony of Mr. LaPorte.

INTRODUCTORY REMARKS

Mr. LAPORTE. Thank you, Madam Chairman, Members of the committee, Agency Chairman Senator Roger Jepsen extends his best wishes to everyone and also his regrets that he is unable to be here today because of an out-of-town NCUA Board meeting in Chicago.

We do thank you for the opportunity to appear before you today to present our fiscal year 1991 budget request for the Central Liquidity Facility.

Appearing with me today is Robert Fenner, General Counsel, Timothy Hornbrook, Director of NCUA's Department of Supervision, and William Poling, the Agency's Budget Officer.

I respectfully ask that my written testimony be entered into the record as if read.

Mrs. BOGGS. We will be happy to do so and will recognize you for a brief statement.

FINANCIAL HEALTH OF CU'S

Mr. LAPORTE. I would like to summarize my remarks by saying that the financial health of the credit union community is excellent. 1989 was a good year for credit unions with savings increasing by 5.1 percent while loans increased by 8.9 percent. These are good signs of moderate and balanced growth.

We have no indications of any liquidity problems; however, if danger signals should appear, we will be prepared to act with the committee's authorization of our budget request.

We do not see any major change in the volume of CLF's loan portfolio during the fiscal year of 1991. Our budget request again this year is $600 million, the same as it has been for the last 10 years.

CLF OPERATING REQUEST

Our operating expense budget request for 1991 is $893,000, a modest increase of $42,000 over last year's authorization. This increase is the result of small increased salary costs as a result of pay differential which has been brought into the agency as well as increased agent reimbursement fees.

CDCU REVOLVING LOAN FUND

I am also pleased to report that the agency issued regulations governing the Community Development Revolving Loan fund. Credit unions had until March 30 to file applications and we received 34 requests totaling approximately 5.5 million.

INDUSTRY FINANCIAL CONDITION

We anticipate disbursements to be made starting in May. Although technically we are here today to establish limits on CLF spending and borrowing, I would like to take just a brief moment to bring the subcommittee up to date on the credit union movement and the National Credit Union Share Insurance Fund.

Overall, federally insured credit unions are healthy. They have weathered some particularly difficult times with remarkable success.

Credit Union capital has risen steadily over the past few years to a present level of 7.4 percent.

I might note that the credit union capital is "pure" capital: it does not contain goodwill or stock.

Credit unions are not involved in Leveraged Buy Outs, do not lend to LDCs (less developed countries), and cannot invest in junk bonds.

The number of problem credit unions declined from 1022 to 794 during fiscal 1989.

The National Credit Union Share Insurance Fund has now completed a fifth straight profitable year with its highest equity ratio since 1985. In other words, while financial problems have plagued other insurance funds, the NCUSIF has not lost money in any of the last five years.

The fund is audited annually by an independent CPA and has received five straight unqualified opinions. Its equity level stands as 1.27 percent, highest of the deposit insurance funds.

In February 1989, the GAO said that the credit union insurance fund could serve as a model for others. We think that is sound advice.

Again, I thank the committee for giving us the opportunity to appear before you and respectfully ask that you support our authorization request in order that we may respond quickly to any changes within the credit union community.

We would be pleased to respond to any questions the committee may have.

[The statement and biography of Mr. LaPorte follows:]

TESTIMONY OF ROBERT J. LAPORTE

Mr. Chairman and members of the Subcommittee, thank you for this opportunity to appear before you and present our request for the NCUA Central Liquidity Facility. Appearing here with me today are Robert M. Fenner, General Counsel; Timothy P. Hornbrook, Director of NCUA's Department of Supervision; and William Poling, Budget Officer for the Agency.

For fiscal year 1991, we are requesting a 600 million dollar limit on new loans. This requested limit has remained constant for the last ten years and, I might add, has proven adequate throughout these years. Regarding the CLF's operating expense, we are requesting that the Committee consider an $893,000 limitation when approving our portion of the HUD - Independent Agencies Budget. Our request this year represents a modest increase of $42,000 over last year's approved limitation.

I am pleased to report that credit unions continue to remain liquid. During the past calendar year credit union shares increased 5.1% while outstanding loans to members increased 8.9%. While these increases tighten liquidity slightly, there is no indication of any serious concern since the current loan to share ratio remains substantially lower than it was 10 years ago. We anticipate that both savings and loan growth will remain moderate for fiscal year 1991.

If danger signals should appear within the credit union community, the Central Liquidity Facility needs to be prepared to act, and we believe that the Committee's authorization of a 600 million dollar new loan limit should be adequate for fiscal year 1991. Prudent funds management and the existence of the viable corporate credit union network should continue to keep new loan demand well below our request.

At the close of fiscal year 1985, the CLF's outstanding loan portfolio stood at 222 million dollars. At the end of fiscal years 1986 through 1989, the portfolio balances were 106 million, 111 million, 120 million, and 112 million respectively. As you can see from the attached schedules we do not anticipate a major change in fiscal year 1991.

I am also pleased to report that in light of congressional action transferring the Community Development Credit Union Revolving Loan Fund to the National Credit Union Administration, we have issued appropriate regulations to implement the program. Credit unions had until March 30, 1990 to file applications and to date we have received 32 applications with requests totalling $5.385 million. We anticipate disbursements starting by mid to late May.

Mr. Chairman, we respectfully ask that you support our authorization request in order that we may respond quickly to changes in the credit union community. By supplying a source of emergency funds, the Central Liquidity Facility bolsters public confidence during periods of liquidity stress.

Thank you for the opportunity to appear before the you today and present our requests for the Central Liquidity Facility. We would be pleased to answer any questions.

BIOGRAPHY FOR ROBERT J. LAPORTE

Bob started his career in June 1958 with the Bureau of Federal Credit Unions, predecessor to the National Credit Union Administration, as an examiner in Detroit, Michigan. After serving a two year tour in the military during 1959 and 1960 he rejoined the agency. In January 1968 he transferred to the Toledo, Ohio regional office where he served as Chief, Supervision and Examination and Chief, Chartering, Insurance, and Liquidation until June 1977 when he was appointed Assistant Regional Director in Harrisburg, PA. He served in this capacity until January 1986 when he was appointed Regional Director in Concord, CA. Bob remained as Regional Director until January 1990 when he was appointed President, Central Liquidity Facility, the position he currently holds.

Bob is a native of Bay City, Michigan, married with two daughters and is a graduate of the University of Detroit with a BS degree in accounting.

CDCU REVOLVING LOAN PROGRAM

Mrs. BOGGS. Thank you very much, Mr. LaPorte.

In last year's bill, we included a provision allowing you to exercise your authority granted by the Community Development Credit Union Revolving Loan Fund Transfer Act. In doing so, $6,673,000 was available to assist credit unions in low-income areas.

CDCU RLP APPLICATIONS

You stated in your testimony that regulations had been issued and credit unions had until March 30, 1990 to file applications. To date, you have received 32 applications with requests totaling $5.385 million.

Do you expect to receive any more applications?

Mr. LAPORTE. Since the information was furnished to the subcommittee, we have received two additional applications so we have received a total of 34. As I stated, I believe the request was $5.5 million from 34 credit unions.

Mrs. BOGGS. How many of these applications do you estimate are fundable?

Mr. LAPORTE. Our initial reaction and review of them, I am very hopeful that a minimum of 90 percent or more are fundable. They are from credit unions that are generally well operated, are safe and sound.

I don't believe—it is our position to extend participation into the program if a credit union is not already a strong, viable organization.

Mrs. BOGGS. Is this the number of applications you expected?

Mr. LAPORTE. I would say yes. The reason I would say that is that based on the previous applications, we had received 37 applications, and this time we received 34. They are not all from the same 34 filing previously; but based on the past history of the program, that is approximately what we expected.

Mrs. BOGGS. Approximately how much money do you think will be gained?

CDCU RLP TRANSFER ISSUE

Mr. LAPORTE. I think all the credit unions are safe and sound, and I would hope to grant everyone's request to the maximum amount of the funds available, $6.5 million.

Mrs. BOGGS. Once again, the Administration is proposing to transfer the Community Development Credit Union Revolving

Loan Fund to the Neighborhood Reinvestment Corporation. In light of the fact you have issued regulations and are anticipating disbursements starting in mid to late May, why does OMB continue to make this proposal?

Mr. LaPorte. I wish I knew. I don't know. As you know, we followed the mandate of Congress, put the regulations into effect and following the will of Congress.

Does anyone else have any comments?

Mr. Poling. They stated to me that it is the administration's position, and they would include that language in the appendix of the President's budget.

LOAN DEFAULTS

Mrs. Boggs. According to last year's hearing, three borrowers from the Community Development Credit Union Revolving Loan Fund defaulted for a total of $57,000—that is on Page 269.

How many borrowers have defaulted since that time, and what is the total amount of these loans in default?

Mr. LaPorte. That is the final figure, $57,000 was the total amount that was lost as a result of the previous program.

I do know that the program was to be activated at one time and congressionally or what was it—it was put on hold, so basically we have had the funds available to us, I believe, since 1986.

Knowing—we have been precluded up until this point in time, I believe, Congress wants to reinstitute the program.

CLF ADMINISTRATIVE EXPENSES

Mrs. Boggs. Most of the administrative expenses for NCUA have gone up modestly, which is reasonable. However, I note that other services, including agent reimbursement, is projected to increase by $20,000, half of your overall requested increase.

Why is this line item increased so substantially?

Mr. LaPorte. The agent reimbursement fee is based on the number of individual credit unions that participate in the activity or are corporate credit unions.

We have found there is an ever increasing number of individual credit unions joining the corporate credit unions, and our reimbursement is based on the number of members that the individual corporate service so the more participation there is in the individual corporate credit union, basically, the reimbursement fee will increase accordingly.

Mrs. Boggs. Thank you.

Mr. Green.

Mr. Green. I have no questions.

Mrs. Boggs. Mr. Atkins, do you have any questions?

Mr. Atkins. No questions.

Mrs. Boggs. Thank all of you very much for a wonderful report.

[Questions for the record and the justifications follow:]

NATIONAL CREDIT UNION ADMINISTRATION

Questions Submitted By
The Honorable Lindy Boggs

CLF Membership Base

Question. Your justification for FY 1991 states that there are 15,000 credit unions in the Central Liquidity Fund. According to last year's justification the CLF membership base was 16,000. Are there fewer credit unions in the United States today than there were one year ago and if so, what has caused 1000 credit unions to close their doors?

Answer. As of December 31, 1988 there were a total of 14,586 credit unions who filed year-end financial reports with the agency. At that time we estimated that there were approximately 1200 credit unions who did not file any report because they were under no obligation to do so since they were not federally insured.
At December 31, 1989 a total of 14,044 credit union file reports with the agency and we estimated that about 1,000 did not file because they were not federall insured.

The 15,000 and 16,000 are estimated only, however, the annual report for the NCUSIF does show a decline of 489 federally insured credit unions during fiscal year 1989.

CU's Mergers

Question. How many mergers occurred during FY 1989? How many do you anticipate for FY 1990?

Answer. During FY 1989, there were 400 credit union mergers. NCUA projects 455 for FY 1990.

Spread of Realestate Loan Losses

Question. I understand that you are worried about the spread of realestate loan losses to the credit union industry. In October 1989, NCUA's Board of Directors issued a special warning to all credit unions: Keep the real-estate loans-to-total-assets ration. What other measures are you taking to ensure the viability of credit unions with large real-estate portfolios?

Answer. NCUA has been actively encouraging sound and prudent real estate lending by credit unions. The agency's October 1989 "Letter to Credit Unions" contained detailed guidelines concerning real estate lending. The guidelines recommend specific written real estate lending policies that address a broad range of underwriting and processing issues, and urge credit unions to follow secondary market requirements.

NCUA currently is monitoring compliance with the guide lines. Any credit union holding more than 25% of its assets in real estate loans will receive additional time and attention during its examination. If necessary, the Agency will write additional regulations in this area.

Lastly, NCUA has stepped up the training of our own staff in real estate issues through additional courses and seminars on the subject.

Franklin Community Federal Credit Union

Question. Franklin Community Credit Union, a $2 million credit union in Lincoln, Nebraska, was placed in involuntary liquidation on November 10, 1988. The loss suffered by the National Credit Union Share Insurance Fund was $39.3 million due to massive fraud.

According to your 1989 Annual Report on the National Credit Union Share Insurance Fund, the NCUA believes this case to be "... unique and an aberration." What measures have been implemented to protect the Insurance Fund from fraud?

-- Have you been able to detect any potential cases of fraud, due to increased awareness and protective measures implemented since the Franklin case?

CHANGES IN NCUA'S SUPERVISION AND EXAMINATION PROGRAM

Since Franklin Community Federal Credit Union's failure, a number of revisions to NCUA's supervision and examination programs have been initiated that should reduce the chances of another case of prolonged, undetected fraud. Some of these revisions are in direct response to Franklin. Others are a result of our normal process of reviewing and updating the Agency's programs, with the process being sped along by our concern over not only cases like Franklin and HYFIN. The following is a review of the relevant changes.

Nonmember Shares Limitation-

Effective December 19, 1988, the NCUA Board approved an interim final rule that requires federally-insured credit unions to obtain NCUA approval prior to accepting nonmember shares in excess of 20% of total shares. The final rule was effective July 12, 1989. While this rule, like any other, can provide no assurances against fraud, it has greatly increased the level of awareness in the credit union system of the potential abuses of nonmember funds. In fact, the rule may have already played a role in thwarting a plan to use a small West Coast credit union to place NCUSIF backing behind as much as twenty million dollars in brokered nonmember funds.

In Franklin, while NCUA was not aware of the secret CD's, we were well aware of the Credit Union's reliance on large amounts of nonmember funds. Even its reported nonmember shares in the last several years would have exceeded the limits of the new rule. As a result of the new rule, examiners, credit union officials, brokers, and others will now view such situations with a much more critical eye.

Increased Staffing; Supervision Time

The Board's initiative to increase examiner staffing by 205 positions over the last three years now means that additional supervision time can be allotted to problem credit unions, while still meeting the Agency's goal of completing the annual examination program.

Memorandum to Examiners on Selected Examination Issues-

The Director of E&I issued a memorandum to the Regional Directors, dated April 25, 1989, addressing key examination areas that did not receive proper attention in Franklin: cash analysis, bank reconcilements, supervisory audits, and review of co-located, related organizations. The memorandum, which is being forwarded to all examiners by the Regions, excerpts key sections from the Examiner's Guide and serves as a reminder of the examiners' responsibilities in these areas. The memorandum also provides a review of changes in national policy on problem case resolution as discussed below.

National Policy on Problem Case Credit Unions-

The Regional Directors, in coordination with the Chairman, the Executive Director and the Director of E&I, have developed revised national policy standards for resolving problem cases. Included in these standards is the requirement that all new Code 4 and 5 credit unions will be subject to a formal letter of understanding and agreement. This is an important step, among other reasons, because violation of an LUA provides the basis for expedited administrative action. (Franklin was a code 4 for seven of the last twelve years without an LUA or administrative action.)

The national policy standards also establish goals and maximum time frames for resolving Code 4 and 5's. For Code 4's, the goal is twelve months and the maximum is twenty-four months. For Code 5's, which in all cases are considered to be on their way to liquidation or merger, the goal is six months and the maximum is twelve months.

The Supervision section of the Examiner's Guide has been updated to reflect the minimum standards for problem case resolution, and the Regional Offices have followed up with Regional instructions to their own staffs.

Supervision of Sensitive Cases-

The Supervision section of the Examiner's Guide was revised to provide the examiners with guidance in dealing with problem credit unions in a consistent manner. While we should not abandon our objective of helping all credit unions work out of their problems, the fact that a credit union is a limited income credit union, or that management officials are influential, should never be a basis for avoiding action that is otherwise necessary or appropriate. The essential message will be that all problem credit unions should be dealt with objectively and fairly, "without fear or favor."

The revisions to the Supervision section also provide the examiners with advice in obtaining audits and other information concerning organizations (such as CSO) that operate in close connection with a credit union or under common management.

National Program of Quality Control-

The Regional Directors and the Director of E&I have developed a revised national program for quality control, to improve the quality of the examination and supervision processes. This program set minimum national standards with respect to examiner evaluation of credit union performance, Regional Office oversight of examinations, and appraisal of examiner performance. This program has been incorporated into the Examiner's Guide.

Legislation-

The Federal, Financial Institutions Reform, Recovery and Enforcement Act effective August 9, 1989, contains a number of provisions that improve NCUA's ability to deal with problem cases and failures. The amendments to the FCU Act strengthen our prohibition and cease-and-desist powers, increase our civil money penalty authority, strenghten our subpoena authority, and require independent audits of insured credit unions with unsatisfactory supervisory committee audits or serious recordkeeping deficiencies. (This latter provision was introduced in direct response to the Franklin failure.)

Training-

NCUA's new examiner classes now include a session on fraud indicators and audit checks. The session emphasizes the importance of dealing with all potential problems in a way that is objective, fair, and consistent. A three-day fraud seminar on a variety of accounting and auditing issues is now offered to all examiners and supervisors.

NCUA FRAUD HOTLINE-

Effective March 1990 NCUA established an 800 number to which reports of suspected fraud and other irregularities in federally insured credit unions can be made. The number is operational 24 hours a day, by the Office of General Counsel during working hours and by tape at all other times.

CUMIS-

CUMIS Insurance Society provides fidelity bond coverage to over 95% of all credit unions. They operate a comprehensive program for underwriting, and evaluating the risk of, fraud losses. As previously noted, CUMIS conducted a fraud audit of Franklin in 1985. They detected no sign of fraud at that time.

Franklin carried a $300,000 fidelity policy with CUMIS, on which CUMIS paid the full amount shortly after NCUA closed the Credit Union. NCUA costs will ultimately be somewhere in the range of 35 to 40 million dollars.

It is apparent that it is in both NCUA's and CUMIS' interest to share information about fraud detection techniques and about specific cases as much possible. To this end, the NCUA and CUMIS are now actively sharing examination and fraud audit information.

CONCLUSION

Franklin is a unique case that can be understood only by considering the full range of circumstances that came together to make such a massive, prolonged fraud possible. There were shortcomings in NCUA's supervision that required correction.

The many changes described above have been initiated in the Agency's examination and supervision programs. They were spurred in part by our mistakes in Franklin and address all of the deficiencies detected. We have followed through as quickly and throughly as possible on the initiatives.

JUSTIFICATION

Budget Estimates for the
National Credit Union Administration
Central Liquidity Facility
Fiscal Year 1991

Subcommittee on HUD - Independent Agen
Committee on Appropriations
U.S. House of Representatives
March 1, 1990

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NATIONAL CREDIT UNION ADMINISTRATION
CENTRAL LIQUIDITY FACILITY

INTRODUCTION

The National Credit Union Administration Central Liquidity Facility (CLF) was created by the National Credit Union Administration Central Liquidity Facility Act (Public Law 95-630, Title XVIII, 12 U.S.C. 1795, et seq.). The CLF is a mixed ownership Government corporation managed by the National Credit Union Administration Board. It is owned by its member credit unions who contribute all of the capital in the form of shares. The CLF became operational on October 1, 1979.

The purpose of the Facility is to improve general financial stability by meeting the liquidity needs of credit unions and thereby encourage savings, support consumer and mortgage lending, and provide basic financial resources to all segments of the economy. To accomplish this purpose, member credit unions invest in the capital stock of the Facility, and the Facility uses the proceeds of such investments and the proceeds of borrowed funds from the Federal Financing Bank to meet the loan requests of credit unions.

In addition to serving its direct members, the CLF compliments the organizational structure of the U.S. credit union financial system by working with the majority (about 99%) of CLF's members through the corporate credit union network. This system of 41 state and federally chartered corporates with $20.1 billion in assets and with U.S. Central Credit Union at its hub, provides operational and correspondent services, investment alternatives and advice, and short term loans to approximately 15,000 natural person credit unions. The CLF provides this system with the knowledge that during periods of temporary liquidity shortages or when questions of confidence arise from external events or internal problems, funds are available to meet abnormal savings outflows. By being a specialized lender for credit unions housed within the NCUA, the CLF has the ability to draw upon the supervisory and insurance resources of the Agency. However, CLF assistance is generally a secondary source of funds after the corporate system or other sources of credit have been utilized. Often the CLF is used when other credit sources have been unable to provide the appropriate terms and conditions required in a specific situation.

The CLF is a government corporation whose borrowings have the "full faith and credit" of the United States government. In cooperation with Administration policy, the CLF funds its lending programs through the Federal Financing Bank of the U.S. Treasury. The CLF is financially self supporting and does not use government funds to support any of its administrative and operational expenses.

Membership in the CLF was extended to virtually every credit union in the United States by the capital stock funding of the U.S. Central Credit Union and its 41 corporate credit unions. With this action the CLF's membership base catapulted from 5,300 to more than 15,000 credit unions.

Lending Activities

Loans are available to credit unions directly from the CLF or through its agent corporate credit union members. The private sector credit union system provides most of the funds to meet the daily borrowing demands of credit unions. The CLF is not an active participant in the normal on-going daily operations of this system. Rather its role is to be available when unexpected, unusual, or extreme events cause temporary fund shortages. If not handled immediately, these shortages could lead to a larger confidence crisis in a credit union or the corporate system. Because of our knowledge of credit unions and immediate access to the supervisory information of NCUA, the CLF exercises a vital role in maintaining member and public confidence in the U.S. credit union financial system.

Loan demand for the CLF results in wide variances in outstanding loan balances and advances. Fiscal year-end 1989 outstanding loan balances of $112.2 million decreased $8.2 million above the previous year-end and FY 1988 year-end loan balances of $120.4 million increased $8.9 million above FY 1987. There was limited fluctuation in the amount of outstanding loan during FY 1989 with a high of $120.9 million at October 31, a low of $107.9 million at November 30 and ending the year at $112.2 million.

Factors Influencing Credit Union Borrowing Demand

Because the CLF by statute deals with unusual or unpredictable events causing liquidity pressures, forecasts of loan demands must be "guess estimates," not precise projections. Loan demand has historically been subject to sudden swings in amounts and when loan drawdowns do occur, specific borrowings are normally in relatively large advances. Circumstances that may affect loan demand in FY 1991 are:

(1) The membership base expansion of the CLF to 100% of all credit unions provides a substantial potential for CLF loans.

(2) The credit union industry continues to enjoy the positive effects of the economic expansion. The combination of lower interest rates and moderate inflation boosts consumer confidence.

For FY 1991, the Central Liquidity Facility is requesting $600 million in gross obligations for new loans to member credit unions. We believe that this limit, combined with disciplined funds management, will permit us to fulfill our statutory purpose unless extraordinary circumstances occur. The $600 million request is only 6% of that authorized by statute (12 times paid-in and on-call capital of $876 million or $10.5 billion). We do not see borrowing authority as any reason to build up loan volumes to the approved limit (by statute, CLF loans cannot be used to expand credit union loan portfolios); rather, funds will be advanced strictly to support the purposes of the Act and in response to circumstances dictated by market events. The relatively low utilization of our total authority can be viewed as a positive sign of credit unions' ability to manage funds.

Administrative Expenses

Total operating expenses of $812 thousand were within the FY 1989 budget limitation of $880 thousand.

NATIONAL CREDIT UNION ADMINISTRATION
Central Liquidity Facility
Explanation of Obligations by Object Class

Personnel Compensation $253,000. Represents the estimated salary cost of 5 permanent full-time employees on duty during FY 1991.

Employee Benefits $39,000. Includes health benefits, government life insurance, miscellaneous cash awards and change of station real estate differential.

Travel and Transportation $40,000. Represents travel for CLF staff as well as CLF Agents, state supervisors and state insurance corporations involved with CLF activities. Since CLF membership is voluntary, and CLF operations are centralized, a significant amount of promotional and educational travel is anticipated.

Transportation of Things $1,000. Shipping and delivery charges.

Communications, Utilities and Other Rent $57,000. Represents estimated rental charges for space as well as telephone and postage expenses.

Printing and Reproduction $9,000. Represents cost primarily associated with the Annual and Quarterly Reports. This expense category will also include minor costs associated with basic forms and general circulars to members.

Other Services $481,000. Primarily represents costs associated with Agent reimbursement. Other fees included in this category are legal expenses.

Supplies and Materials $13,000. Represents computer paper, visual aids, education supplies and miscellaneous supplies for CLF, Agents and sponsors of training seminars.

Loans $188,320,000. This amount represents the cumulative total of new short-term seasonal and protracted credit provided credit unions during FY 1991.

Investments $174,763,000. Purchase of new investments during FY 1991.

Interest and Dividends $62,207,000. These funds represent the cost of capital (borrowings from the Federal Financing Bank) and dividends paid to members of the Facility.

Redemptions $60,000,000. Withdrawals of Capital Stock and member deposits.

CENTRAL LIQUIDITY FACILITY
Appropriation Language

[During fiscal year *1991*, gross obligations of the Central Liquidity Facility for the principal amount of new direct loans to member credit unions as authorized by the National Credit Union Central Liquidity Facility Act (12 U.S.C. 1795) shall not exceed $600,000,000: *Provided*, That administrative expenses of the Central Liquidity Facility in fiscal year 1991 shall not exceed $893,000: *(Department of Housing and Urban Developement-Independent Agencies Appropriations Act, 1991.)*

NATIONAL CREDIT UNION ADMINISTRATION
Central Liquidity Facility
Financial Condition
(in thousands of dollars)

	1989 Actual	1990 Estimate	1991 Estimate
ASSETS:			
Current Assets			
Cash	$6	$6	$6
Investments at (PAR)	443,715	473,300	503,300
Loan Receivable	113,702	112,702	111,702
Accrued Interest Receivable	8,214	9,264	10,260
Total Assets	565,637	595,272	625,268
LIABILITIES AND EQUITY:			
Liabilities			
Borrowings:FFB	113,702	112,702	111,702
Member Deposits	12,005	13,686	17,131
Accounts Payable	1,022	1,384	1,435
Total Liabilites	126,729	127,772	130,268
EQUITY:			
Capital Stock	430,598	458,490	485,290
Retained Earnings	8,310	9,010	9,710
Total Equity	438,908	467,500	495,000
Total Liabilities and Equity	565,637	595,272	625,268

NATIONAL CREDIT UNION ADMINISTRATION
Central Liquidity Facility
Financial Condition
(in thousands of dollars)

	1989 Actual	1990 Estimate	1991 Estimate
INCOME:			
Interest on Loans	9,945	11,865	13,400
Income from Investments	36,331	44,595	50,360
Other	34	40	40
Total Income	46,310	56,500	63,800
EXPENSES:			
Employee Services	235	250	253
Employee Benefits	29	39	39
Employee Travel	16	40	40
Shipping and Delivery	1	1	1
Rent, Communications and Utilites	47	58	57
Printing and Reproduction	8	9	9
Other Services Including Agent Reimbursement	459	461	481
Supplies and Materials	18	6	13
Total Operating Expenses	813	*864	893
INTEREST:			
Federal Financing Bank	9,607	12,758	14,590
Member Deposits	560	328	292
Total Expense	10,980	13,950	15,775
Net Income	35,330	42,550	48,025
Dividends to Member	34,651	41,850	47,325
Addition to Retained Earnings	679	700	700
Retained Earnings at Beginning of Period	7,631	8,310	9,010
Retained Earnings at End of Period	8,310	9,010	9,710

* Public Law 101-144 passed November 9, 1989 reduced the limitation on Administration Expenses to $ 851.

NATIONAL CREDIT UNION ADMINISTRATION
Central Liquidity Facility
Status of Direct Loans
(in thousands of dollars)

	1989 Actual	1990 Estimate	1991 Estimate
Position With Respect to Limitation on Obligations:			
Limitation on Direct Loans to the Public	600,000	* 600,000	600,000
Unused Balance of Direct Loan Limitation	-435,613	-424,553	-411,680
Total Direct Loans to Credit Unions	164,387	175,447	188,320
Cumulative Balance of Direct Loans Outstanding:			
Outstanding Start of Year	120,440	113,702	112,702
Disbursements: Direct Loans to Credit Unions	164,387	175,447	188,320
Repayments	-171,125	-176,447	-189,320
Outstanding, End of Year	113,702	112,702	111,702

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* Public Law 101-144 passed November 9, 1989 reduce the limitation on Direct Loans to $ 590,700.

NATIONAL CREDIT UNION ADMINISTRATION
Central Liquidity Facility
Program and Financing
(in thousands of dollars)

		1989 Actual	1990 Estimate	1991 Estimate
PROGRAM BY ACTIVITIES:				
1.	Administrative Expense	$813	$864	$893
2.	Interest on Securities	10,980	13,086	14,882
3.	Dividends on Capital Stock	34,651	41,850	47,325
	Total Operating Costs Funded	46,444	55,800	63,100
CAPITAL INVESTMENT:				
1.	Loans to Credit Union	164,387	175,447	188,320
2.	Investments	119,964	152,771	174,763
3.	Member Deposits	48,433	50,000	60,000
	Total Capital Investment Funded	332,784	378,218	423,083
10.00	Total Program Costs, Funded Obligations	379,228	434,018	486,183

NATIONAL CREDIT UNION ADMINISTRATION
Central Liquidity Facility
Gross Obligations
(in thousands of dollars)

	1989 Actual	1990 Estimate	1991 Estimate
PROGRAM BY ACTIVITIES:			
Administrative Expense	$813	$864	$893
Interest on Borrowings	10,980	13,086	14,882
Dividends to Members	34,651	41,850	47,325
Operating Expenses	46,444	55,800	63,100
CAPITAL INVESTMENT:			
New Loans to Credit Union	164,387	175,447	188,320
Investment Purchased	119,964	152,771	174,763
Redemption of capital stock	14,238	15,000	20,000
Withdrawal of member deposits	34,195	35,000	40,000
Total Capital Investment	332,784	378,218	423,083
Total obligations	379,228	434,018	486,183
FINANCING:			
Offsetting Collections from Non-Federal Sources:			
Interest Income	-46,310	-56,500	-63,800
Capital Stock	-45,287	-50,553	-60,000
Matured Investments	-80,000	-100,000	-120,000
Credit Union Loan Repayment	-171,125	-176,447	-189,320
Member Depostits	-44,110	-45,000	-55,380
Unobligated Balance Available,Start of Year	-301,558	-309,162	-303,644
Unobligated Balance Available,End of Year	309,162	303,644	305,961
Budget Authority	0	0	0
RELATION OF OBLIGATIONS TO OUTLAYS:			
Obligations Incurred Net	-7,604	5,518	-2,317
Receivables in Excess of Obligations Start of Year	-7,856	-8,722	-2,204
Receivables in Excess of Obligations End of Year	8,722	2,204	3,521
Outlays	-6,738	-1,000	-1,000

NATIONAL CREDIT UNION ADMINISTRATION
Central Liquidity Facility
Object Classification
(in thousands of dollars)

		1989 Actual	1990 Estimate	1991 Estimate
PERSONNEL COMPENSATION:				
11.1	Permanent Positions	235	250	253
	Total Personnel Compensation	235	250	253
EMPLOYEE BENEFITS:				
12.1	Civilian	29	39	39
21.0	Travel and Transportation of Persons	16	40	40
22.0	Transportation of Things	1	1	1
23.0	Rent, Communications, and Utilities	47	58	57
24.0	Printing and Reproduction	8	9	9
25.0	Other Services	459	461	481
26.0	Supplies and Materials	18	6	13
33.0	Loans & Investments	284,351	328,218	363,083
43.0	Interest and Dividends	45,631	54,936	62,207
44.0	Redemptions and Withdrawals	48,433	50,000	60,000
99.0	Total Obligations	379,228	434,018	486,183

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE CENTRAL LIQUIDATION FACILITY

Detail of Permanent Positions

		1989 Actual	1990 Estimate	1991 Estimate
ES-5	President	1	1	1
GM-14/15	Treasurer	1	1	1
GM-13	Loan Officer	1	1	1
GM-5/6	Accounting Technician	1	1	1
GS-4/7	Secretary	1	1	1
	Subtotal	5	5	5
	Total Permanent Postions	5	5	5
	Unfilled Positions, End of Year	-1	0	0
TOTAL PERMANENT EMPLOYMENT, END OF YEAR		4	5	5

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Duryee, H.T	1
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Grant, Nathaniel	601
Harris, David	753
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Jacobik, B.A	1
James, R.R	601
King, William	753
Knight, George	601
LaPorte, R.J	819
Lloyd, John	753
Lopez, Antonio	1
McCabe, Carol	601
McLoughlin, Dave	1
McNeill, J.P	1
Orrell, G.H	1
Peterson, G.C	1
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